Barclays Africa Group Limited

Financial results

for the reporting period ended 31 December 2015

Reporting changes overview

The following changes resulted in financial results for the comparative period being restated:

1. Internal reclassifications

In terms of the Group's policy, financial assets with a maturity of less than three months should be reported as "Cash, cash balances and balances with central banks", while financial assets with a maturity of longer than three months are reported as "Investment securities". Based on an analysis performed on the maturity periods of treasury bills, in Rest of Africa, it was established that some treasury bills' maturity period extended beyond three months and had been reported as "Cash, cash balances and balances with the central banks". These items are now being reported as "Investment securities".

2. Business portfolio changes

- Corporate and Investment Bank ("CIB") and Retail and Business Banking ("RBB") performed a client resegmentation and refined the classification of costs and revenue, which resulted in restatements between the segments.
- Costs between RBB, CIB as well as Head Office, Treasury and other operations have been restated due to a change in the allocation methodology.
- The Group reassessed funds transfer pricing and the allocation of endowment, resulting in restatements between RBB and CIB in rest of Africa.
- RBB – Retail Banking has moved the student loan portfolio, previously reported in Transactional and Deposits to Personal Loans.
- CIB has aligned their business portfolios with product ownership between Corporate, Banking and Private Equity.
- Certain loan portfolios were transferred from Wealth, Investment Management and Insurance ("WIMI") – Wealth to RBB – Retail Banking.
- Money markets, previously reported in CIB, has been moved to Head Office, Treasury and other operations, due to the centralisation of all treasury functions. Revenue and costs associated with Money markets have therefore been allocated across all segments.
- WIMI has provided separate disclosure for products that will be terminated in future.

None of the aforementioned restatements have impacted the overall financial position or net earnings of the Group.

Dividend per share

Final	550 cents
Interim	450 cents

Key dates

Annual general meeting	17 May 2016
Financial year-end	31 December 2016
Dividend payment	11 April 2016

Shareholder communications

Shareholder information page 145
Contact details page IBC

Icons used with this report

▲	▼	=	▲	▼
Negative increase	Negative decrease	Remains the same	Positive increase	Positive decrease

Contents

The term Barclays Africa Group or the Group, refers to Barclays Africa Group Limited and its subsidiaries.

This report is printed on recycled paper that is 100% post-consumer waste sourced from either office or printing waste with no harmful chemicals used during the bleaching process. The byproducts of production of the paper are recycled into fertiliser, building materials and heat.

This page has been left blank intentionally

Group performance

Contents

Barclays Africa Group Limited (1986/003934/06)

Results for the reporting period ended 31 December 2015

Date of publication: 1 March 2016

Group performance overview

> We delivered solid results in 2015 demonstrating our strategy is working. We continue to deliver on the commitments we made when Barclays Africa was formed over two years ago, and are well positioned to achieve our goals across the continent.
>
> **Maria Ramos,** *Chief Executive Officer*

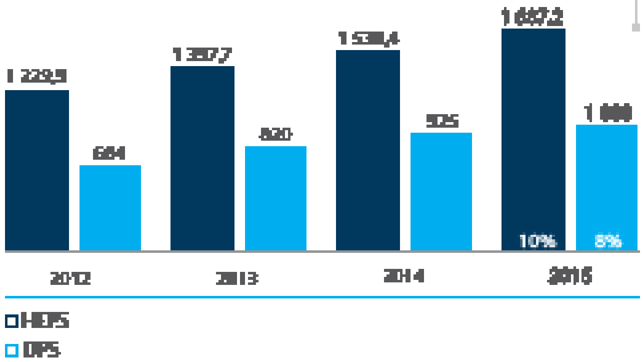
Highlights

- Return on average equity ("RoE") increased to 17,0% from 16,7%, above the 13,75% cost of equity ("CoE").
- Net interest margin widened to 4,81% from 4,65%.
- Cost-to-income ratio improved to 56,0% from 56,8% resulting in a positive Jaws of 1,39%.
- Dividends per share increased 8% to 1 000 cents.
- Pre-provision profit increased by 8% to R29 537m.
- Common Equity Tier 1 ("CET1") capital ratio strong at 11,9%.
- Rest of Africa headline earnings grew 17% to R2 308m.

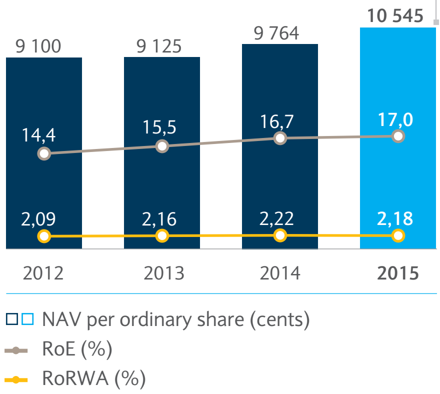
Challenges

- Decrease in CIB Return on average risk-weighted assets ("RoRWA") to 1,90%.
- Credit loss ratio deteriorated from 1,02% to 1,05%.
- CIB Markets revenue declined by 3% to R4 106m.

Headline earnings per ordinary share ("HEPS") and dividend per share ("DPS") (cents)



Net asset value ("NAV") per ordinary share, return on equity ("RoE") and return on risk-weighted assets ("RoRWA") (cents and %)

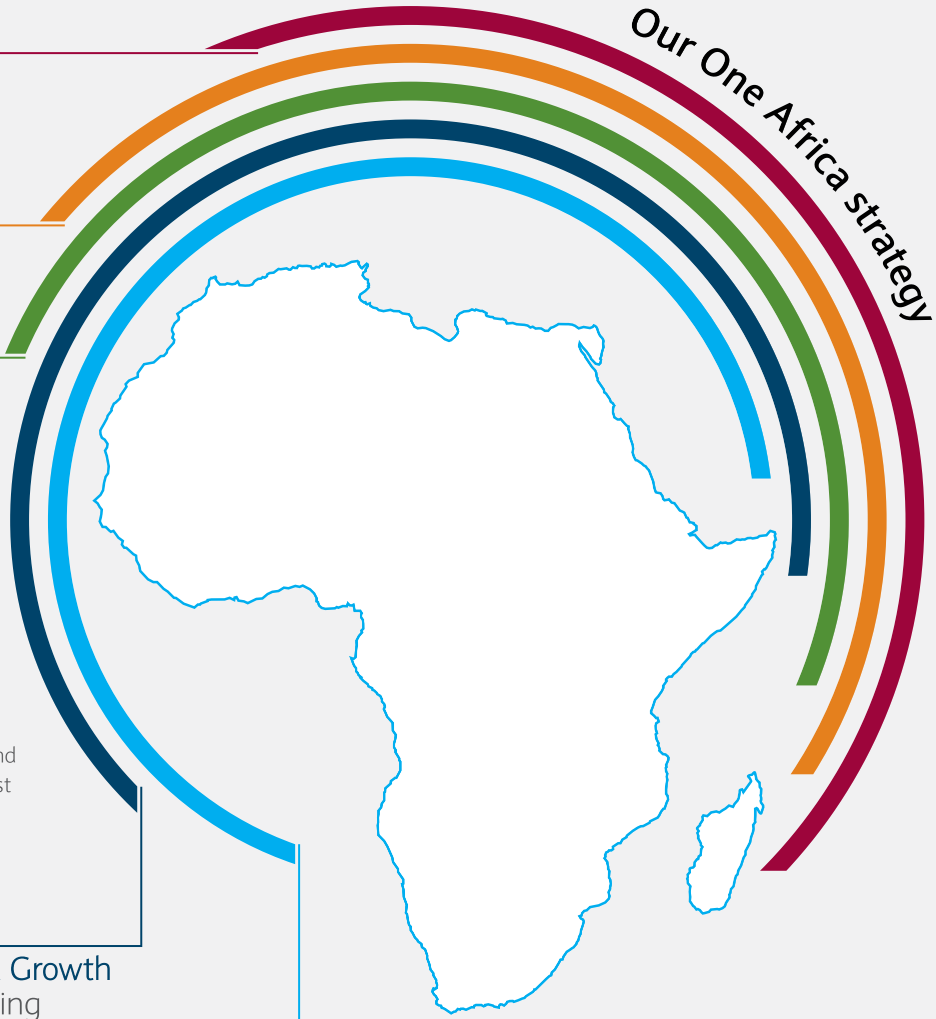


This page has been left blank intentionally

About Barclays Africa

We are a diversified financial services provider offering an integrated set of products and services across personal and business banking, credit cards, corporate and investment banking, wealth and investment management and insurance.

We are uniquely positioned as a fully international, fully regional and fully local bank and aspire to build the leading financial services group in our chosen countries in Africa, as well as selected customer and client segments, and to remain locally relevant and competitive in all presence countries.



We are driven by our Purpose to help people achieve their ambitions in the right way

We are focused on our Goal to be the bank of choice in Africa

Our Values define the way we think, work and act

Respect We respect and value those we work with and the contribution they make.

Integrity We act fairly, ethically and openly in all we do.

Service We put our customers and clients at the centre of what we do.

Excellence We use our energy, skills and resources to deliver the best sustainable results.

Stewardship We are passionate about leaving things better than we found them.

We are committed to Shared Growth which for us, means generating a positive impact on society while delivering shareholder value.

Our Balanced Scorecard provides a holistic approach to delivering commercial returns while responding to stakeholders' needs.

We continue on our journey to distinguish ourselves from…

…local and regional banks through our access to global technologies and products and our ability to connect our customers and clients seamlessly to international markets.

…international banks by operating a bank with deep African insights from our local operations.

By focusing on…

Our Retail and Business Bank turnaround
Regaining our leading market position in South Africa and driving the build-out across the continent.

Investing in Corporate Banking growth
Invest in our people and systems to allow us to develop our expertise and product portfolio.

Growing Wealth, Investment Management and Insurance
Realise synergies and build on the platform to expand into new African capital markets.

Developing and investing in talent and our people
Deliver on our diversity agenda, invest in skills and leadership development.

Driving change through the four strategic themes...

African opportunity
Invest in the greatest growth opportunities and connect Africa to international capital markets.

Customer and client experience
Make our customers' and clients' lives easier and help them prosper.

Simplify and accelerate
Simplify our business to better serve our customers and clients, sustainably reduce costs and improve efficiencies.

Powered by people and technology
Unlock the power of a dynamic workforce enabled with technology, information and innovation to delight our customers and clients.

Delivering on our medium-term targets…

- **A return on equity** in the range of 18 – 20%.
- **Top three by revenue position** in our five key markets (Botswana, Ghana, Kenya, South Africa and Zambia)
- **A revenue share** of 20 – 25% from outside South Africa
- **A cost-to-income** ratio in the low 50s

While building the bank of the future…

We recognise that with the pace of change, the environment in which we operate will look very different in the future.

While we remain focused on our strategic priorities, we ensure that we keep evolving and building the capabilities required in the future through programmes and partnerships such as:

- Rise Africa, which is part of a global community for open innovation, designed to pioneer the future of financial services;
- The Blockchain Challenge competition for entrepreneurs, which aims to transform supply chain transparency and lower the cost of doing business; and
- Rainfin peer-to-peer lending.

2014 → 2015 – 2016 →

Our presence

A strong African franchise delivering shareholder returns while positively impacting society

12,3m customers

10 378 ATMs

1 251 branches

41 771 employees[1]

With our long-standing local presence and our regional and international expertise, we have a strong platform to capture the growth opportunity in Africa

Revenue by segment[1]

Retail and Business banking
72,1%

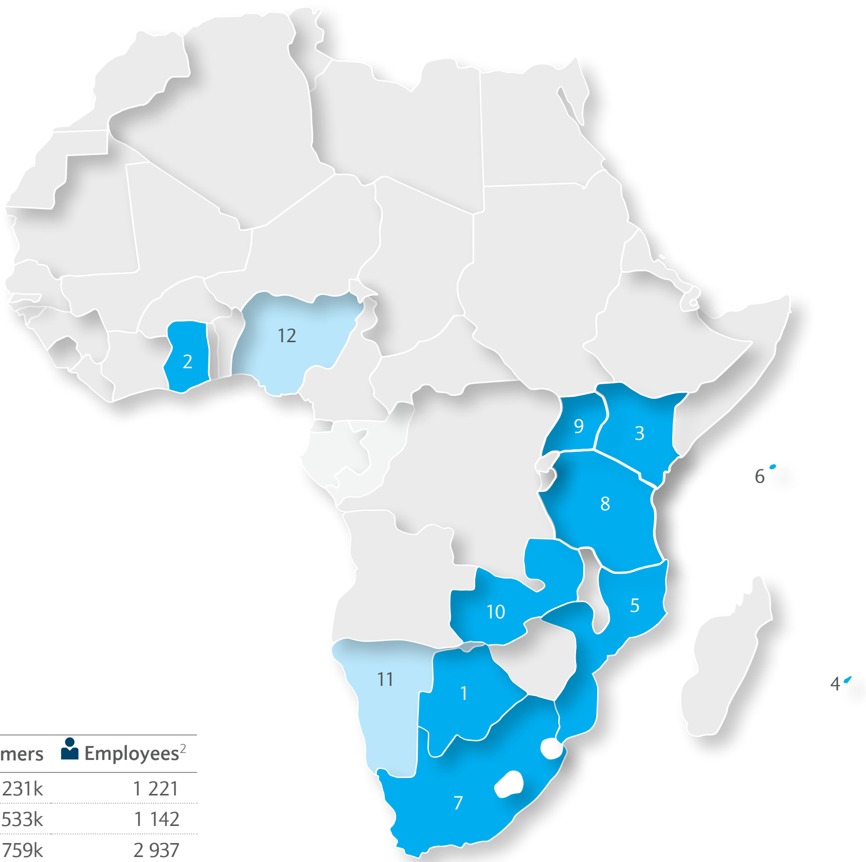
Corporate and Investment Bank
20,2%

Wealth, Investment Management and Insurance
7,7%

Top three by revenue

in 4 of our 5 largest markets

Botswana
Ghana
South Africa
Zambia



		Branches	ATMs	Customers	Employees[2]
1	Botswana	39	114	231k	1 221
2	Ghana	66	158	533k	1 142
3	Kenya	122	230	759k	2 937
4	Mauritius	19	42	77k	803
5	Mozambique	47	107	270k	941
6	Seychelles	7	16	17k	201
7	South Africa	784	9 216	9,4m	30 899[3]
8	Tanzania BBT	25	48	66k	492
8	Tanzania NBC	52	242	587k	1 244
9	Uganda	42	71	123k	897
10	Zambia	48	134	223k	994

Legend

Barclays Africa

Barclays Africa representative office
11 Namibia
12 Nigeria

Notes
1 Revenue by segment excluding Head office, Treasury and Other.
2 Includes permanent and temporary employees, excluding Woolworths Financial Services ("WFS") employees.
3 Includes Barclays Africa Regional Office employees.

Consolidated salient features

	2015	2014	Change %
Statement of comprehensive income (Rm)			
Revenue	**67 198**	63 125	6
Operating expenses	**37 661**	35 848	5
Profit attributable to ordinary equity holders	**14 331**	13 216	8
Headline earnings	**14 287**	13 032	10
Statement of financial position			
Loans and advances to customers (Rm)	**703 359**	636 326	11
Total assets (Rm)	**1 144 604**	991 414	15
Deposits due to customers (Rm)	**688 419**	624 886	10
Loans-to-deposits ratio (%)	**86,1**	87,1	
Financial performance (%)			
RoE	**17,0**	16,7	
Return on Average Assets (“RoA”)	**1,37**	1,33	
RoRWA	**2,18**	2,22	
Non-performing loans (“NPLs”) ratio	**3,88**	4,19	
Operating performance (%)			
Net interest margin on average interest-bearing assets	**4,81**	4,65	
Credit loss ratio	**1,05**	1,02	
Non-interest income as percentage of total revenue	**42,8**	43,6	
Cost-to-income ratio	**56,0**	56,8	
JAWS	**1,39**	(1,00)	
Effective tax rate	**27,7**	28,3	
Share statistics (million)			
Number of ordinary shares in issue	**847,8**	847,8	
Number of ordinary shares in issue (excluding treasury shares)	**845,7**	846,9	
Weighted average number of ordinary shares in issue	**846,8**	847,1	
Diluted weighted average number of ordinary shares in issue	**847,3**	847,6	
Share statistics (cents)			
Headline earnings per ordinary share	**1 687,2**	1 538,4	10
Diluted headline earnings per ordinary share	**1 686,2**	1 537,5	10
Basic earnings per ordinary share	**1 692,4**	1 560,1	8
Diluted basic earnings per ordinary share	**1 691,4**	1 559,2	8
Dividend per ordinary share relating to income for the reporting period	**1 000**	925	8
Dividend cover (times)	**1,7**	1,7	—
NAV per ordinary share	**10 558**	9 764	8
Tangible NAV per ordinary share	**10 112**	9 384	8
Capital adequacy (%)			
Barclays Africa Group Limited	**14,5**	14,4	
Absa Bank Limited	**13,6**	13,7	
Common Equity Tier 1 (%)			
Barclays Africa Group Limited	**11,9**	11,9	
Absa Bank Limited	**10,3**	10,6	

Consolidated salient features by segment

	2015	2014[1]	Change %
Headline earnings (Rm)			
RBB	**9 698**	8 525	14
Retail Banking South Africa	**6 628**	5 733	16
Business Banking South Africa	**2 175**	2 069	5
RBB Rest of Africa	**895**	723	24
CIB	**3 940**	3 734	6
WIMI	**1 464**	1 324	11
Head Office, Treasury and other operations	**(815)**	(551)	48
Return on average risk-weighted assets (%)			
RBB	**2,39**	2,26	
Retail Banking South Africa	**2,72**	2,61	
Business Banking South Africa	**3,08**	2,89	
RBB Rest of Africa	**0,99**	0,84	
CIB	**1,90**	2,16	
Return on average regulatory capital (%)			
RBB	**21,7**	20,1	
CIB	**17,1**	19,5	
WIMI[2]	**24,9**	23,2	
Credit loss ratio (%)			
RBB	**1,29**	1,32	
Retail Banking South Africa	**1,28**	1,33	
Business Banking South Africa	**0,87**	0,87	
RBB Rest of Africa	**2,07**	1,95	
CIB	**0,44**	0,16	
WIMI	**(0,10)**	0,46	
Loans and advances to customers (Rm)			
RBB	**483 755**	464 844	4
Retail Banking South Africa	**374 997**	367 967	2
Business Banking South Africa	**63 545**	61 065	4
RBB Rest of Africa	**45 213**	35 812	26
CIB	**213 625**	165 351	29
WIMI	**5 350**	5 234	2
Head Office, Treasury and other operations	**629**	897	(30)
Deposits due to customers (Rm)			
RBB	**344 847**	308 581	12
Retail Banking South Africa	**166 015**	150 427	10
Business Banking South Africa	**110 096**	100 948	9
RBB Rest of Africa	**68 736**	57 206	20
CIB	**241 689**	227 696	6
WIMI	**5 160**	5 276	(2)
Head Office, Treasury and other operations	**96 723**	83 333	16
Off-statement of financial position (Rbn)			
Assets under management and administration	**274**	259	6
Exchange-traded funds	**31**	36	(14)
Money market	**55**	50	10
Non-money market	**196**	181	8
Intra-segment eliminations	**(8)**	(8)	—

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] As WIMI consists primarily of a set of legal entities with a smaller contribution from the Wealth division of Absa Bank Limited, the denominator in the RoRC for WIMI is calculated as the sum of average legal entities' equity including the regulatory capital ("RC") contribution for the Wealth division.

Profit and dividend announcement

Salient features

- Diluted HEPS increased 10% to 1 686 cents.
- Declared a DPS of 1 000 cents, up 8%.
- Rest of Africa headline earnings grew 17% to R2,3bn and South Africa rose 8% to R12,0bn.
- RoE improved to 17,0% from 16,7%.
- Pre-provision profit increased 8% to R29,5bn.
- Revenue grew 6% to R67,2bn, as net interest income increased 8% and non-interest income rose 5%, while operating expenses grew 5% to R37,7bn.
- Credit impairments increased 10% to R6,9bn resulting in a 1,05% credit loss ratio from 1,02%.
- Barclays Africa Group Limited's CET1 ratio of 11,9% remains above regulatory requirements and our board target range.

Overview of results

Barclays Africa Group Limited's headline earnings increased 10% to R14 287m from R13 032m. Diluted HEPS also grew 10% to 1 686 cents from 1 538 cents. The Group's RoE improved to 17,0% from 16,7%, comfortably above its 13,75% CoE for 2015, due to its return on assets rising to 1,37% from 1,33%. Barclays Africa Group declared a 8% higher full year ordinary DPS of 1 000 cents, given its strong CET1 ratio and internal capital generation capacity. NAV per share increased 8% to 10 558 cents.

Pre-provision profit increased 8% to R29,5bn, which drove earnings growth. Non-interest income grew 5% and net interest income 8%, as the Group's net interest margin (on average interest-bearing assets) improved to 4,81% from 4,65%. Loans and advances to customers grew 11% to R703bn, while deposits due to customers increased 10% to R688bn. The Group's cost-to-income ratio improved to 56,0% from 56,8% as operating expenses rose 5%. Credit impairments grew 10%, as NPL cover rose marginally and portfolio provisions increased to 0,73% of performing loans from 0,70%. NPLs declined to 3,9% of gross loans and advances to customers from 4,2%.

RBB's headline earnings increased 14% to R9,7bn, as revenue grew 6% and costs rose 4%, with Home Loans and Card earnings growing 15% and 25% respectively. WIMI's headline earnings increased 11% to R1,5bn, with 14% growth in Life Insurance, while CIB grew 6% to R3,9bn, including 16% higher Corporate earnings.

Revenue from Rest of Africa grew 14% and headline earnings rose 17% to R2,3bn, to contribute 21% and 16% of the total Group respectively.

Operating environment

Global markets saw heightened financial volatility, renewed pressure on commodity prices and concerns about growth. We expect global growth of 3,1% in 2015, supported by consumption in advanced economies. Emerging market growth slowed largely led by China, Brazil and Russia. The Federal Reserve raised rates for the first time since 2006. Conversely, monetary policy was eased in the euro area during the year.

South Africa's growth slowed under the pressure of drought, continued electricity supply challenges and falling commodity prices. Weak consumer confidence and rising interest rates weighed on household spending. Economic growth is forecast to have slowed to 1,3% in 2015 from 1,5% in 2014. The rand lost a quarter of its value against major currencies during the year. Growth in the Barclays Africa Group markets in the rest of Africa moderated further due to lower commodity prices and an adverse external environment. Fiscal and current accounts deteriorated, putting pressure on African currencies and inflation.

Profit and dividend announcement

Group performance

Statement of financial position

Total Group assets increased 15% to R1 145bn at 31 December 2015, predominantly due to 11% higher loans and advances to customers, while trading portfolio assets grew 52% and loans and advances to banks rose 19%.

Loans and advances to customers

Loans and advances to customers increased 11% to R703bn, or to 7% excluding rand depreciation and growth in reverse repurchase agreements. Retail Banking South Africa's loans rose 2% to R375bn, given 6% growth in Vehicle and Asset Finance and 8% higher Personal Loans, while Home Loans was flat. Business Banking South Africa's loans rose 4% to R64bn, including 15% higher term loans and 9% growth in agriculture loans. RBB Rest of Africa's loans increased 26% to R45bn, in part due to rand depreciation. CIB's loans increased 29% to R214bn, given strong growth in term loans, preference shares and reverse repurchase agreements.

Funding

The Group maintained its strong liquidity position, growing deposits due to customers 10% to R688bn and improving its loans-to-deposit ratio to 86% from 87%. Deposits due to customers contributed 78% to total funding from 80%. Retail Banking South Africa maintained its leading market share and increased deposits 10% to R166bn. Business Banking South Africa's deposits grew 9% to R110bn, with 19% higher savings and transmission deposits. RBB's 12% deposit growth reduced the proportion of more expensive wholesale funding. CIB's deposits increased 6% to R242bn, given 10% higher cheque account deposits and 8% lower fixed deposits.

Net asset value

The Group's NAV rose 8% to R89,3bn, as it generated profits of R14,3bn in the period, from which it paid R8,2bn in dividends. Its foreign currency translation reserve grew by R3,0bn to R6,5bn. The Group's NAV per share also grew 8% to 10 558 cents.

Capital to risk-weighted assets

Group risk-weighted assets ("RWA(s)") increased 13% to R703bn at 31 December 2015, in line with its asset growth. The Group remains well capitalised, comfortably above minimum regulatory requirements. Barclays Africa Group Limited's CET1 and Tier 1 capital adequacy ratios were 11,9% and 12,6% respectively (from 11,9% and 12,7%). The Group generated 2,1% of CET1 capital internally during the period. Its total capital adequacy ratio was 14,5%, at the top end of the board target range of 12,5% to 14,5%. Declaring an 8% higher DPS of 1 000 cents – a dividend cover of 1,7 times – was well considered, based on the Group's strong capital position, internal capital generation, strategy and growth plans.

Statement of comprehensive income

Net interest income

Net interest income increased 8% to R38 407m from R35 601m, with average interest-bearing assets growing 4%. The Group's net interest margin improved to 4,81% from 4,65%.

Loan pricing had an 8 basis points ("bps") positive impact, as improved pricing in Home Loans and Personal Loans offset compression in Vehicle and Asset Finance. The deposit margin was unchanged, as compression in Business Banking offset improved retail spreads and the mix benefit of less wholesale funding.

Higher South African interest rates resulted in an endowment contribution on deposits and equity of 3 bps. Despite releasing R1 110m to the income statement, the benefit from structural hedging declined by 6 bps. The cash flow hedging reserve relating to the structural hedging programme decreased to a R2,1bn debit after tax from a R0,4bn credit. Rest of Africa added 4 bps to the Group margin, as its margin improved by 10 bps and its weighting in the overall composition increased. Changing the funding model for foreign currency loans within CIB added 8 bps to the total margin, partly offset by higher liquid assets.

Group performance *(continued)*

Statement of comprehensive income *(continued)*

Non-interest income

Non-interest income increased 5% to R28 791m from R27 524m accounting for 43% of total income. Rest of Africa grew 18% to R4 933m, with strong WIMI and RBB growth, to exceed South Africa's 2% increase to R23 858m. Net fee and commission income rose 8% to R20 155m, with strong growth in credit cards and electronic banking of 37% and 12% respectively, while merchant income decreased 7% to R1 731m due to reduced industry interchange rates.

RBB's non-interest income grew 7% to R18 238m, 63% of the total. Retail Banking South Africa increased 5% to R12 282m with 2% growth in customers offsetting continued migration to bundled products and electronic channels. Card non-interest income grew 9%, with 14% growth in acquiring volumes, despite new interchange rules reducing revenue by R300m. Business Banking's non-interest income grew 5% to R3 336m, largely due to 14% higher cheque account income and 10% growth in electronic banking income. Enhanced digital functionality and reclassifying cash-handling device-related costs to non-interest income reduced cash-related transaction income growth by 3%, while cheque payment volumes fell 21%. RBB Rest of Africa's 21% higher non-interest income of R2 620m reflects increased transaction volumes, particularly in card and foreign exchange.

WIMI's non-interest income increased 7% to R4 962m, with improved growth in South Africa of 6% and a 24% rise in the Rest of Africa. Net insurance premiums grew 8% and Wealth and Investments by 10% on higher assets under management.

CIB's non-interest income decreased 9% to R5 926m, largely due to a change in its funding model for foreign currency loans that reduced trading revenue and R202m of negative revaluations in Private Equity. Overall Markets net revenue (revenue including credit impairments) decreased 3% to R4 106m with a 23% decline in Fixed Income and Credit and 19% lower Foreign Exchange and Commodities revenue in South Africa, offset by 23% and 21% growth in Rest of Africa Markets and Equities and Prime Services respectively.

Impairment losses on loans and advances

Credit impairments increased 10% to R6 920m from R6 290m, resulting in a 1,05% credit loss ratio from 1,02%. Total NPL cover improved to 43,2% from 43,0%. Balance sheet portfolio provisions increased 15% to R5,0bn, or 0,73% of performing loans from 0,70%. Group NPLs declined to 3,9% of gross customer loans and advances from 4,2% while increasing 2,2% to R28,0bn.

RBB's credit impairments grew 1% to R6,1bn, a 1,29% credit loss ratio from 1,32%. Retail Banking South Africa's charge declined 2% to R4,8bn, as lower mortgage credit impairments outweighed a 6% rise in Vehicle and Asset Finance ("VAF").

Home Loans' charge decreased 20% to R689m, a 0,30% credit loss ratio, given improved collections processes and the high quality of new business written in recent years. Mortgage NPLs fell 11% to R9,3bn, 4,0% of gross loans. NPL cover in mortgages decreased to 22,1% from 25,3%, as aged NPLs were written off. VAF's credit loss ratio improved to 0,98% from 1,01%. Instalment credit agreements NPLs increased to 2,2% of gross loans and its NPL cover declined to 38,8%, due to accelerating write-offs of aged legal accounts, which reduced the NPL book's average age.

Credit card's charge increased 4% to R2 344m, a 6,07% credit loss ratio from 6,19%. The Edcon portfolio's charge declined 15% to R893m, a 10,18% credit loss ratio. The credit loss ratio for the remainder of the Card book increased 20% to R1 451m, reflecting the operating environment and seasoning of recent growth. Personal Loans' credit loss ratio improved to 5,64% from 6,06% reflecting lending to lower risk existing customers and enhanced collections.

Business Banking South Africa's credit impairments grew 4% to R548m, a flat 0,87% credit loss ratio. A 70% lower charge for CPF and mortgages was the driver, while term loan impairments increased significantly. NPLs fell 16% to R3 306m or 5,1% of gross loans. Performing loan cover increased further to 1,07%. RBB Rest of Africa's credit impairments rose 21% to R777m, increasing its credit loss ratio to 2,07% from 1,95%. Its NPLs increased 9% to R3 573m, while performing loan cover increased to 1,12% from 0,95%. CIB's credit impairments increased 220% off a low base to R793m, reflecting maturation of its loan growth and deterioration in some sectors. NPLs rose 72% to R2 834m, while portfolio provisions increased to 0,36% of performing loans.

Profit and dividend announcement

Group performance *(continued)*

Statement of comprehensive income *(continued)*

Operating expenses

Operating expenses grew 5% to R37 661m from R35 848m. South Africa's 4% cost growth was below inflation, while Rest of Africa costs rose 9%, reflecting continued investment spend. Staff costs rose 8% to R20 902m to account for 56% of total expenses. Salaries grew 8% due to higher wage increases for entry level employees and hiring in specialist areas such as Information Technology ("IT"). Incentives rose 5%, as bonuses rose 11% and share-based payments fell 8%.

Non-staff costs grew 1,5% to R16 759m, as structural cost programmes produced efficiency gains that enabled continued investment in growth initiatives. Property-related costs decreased 1% to R5 209m, reflecting portfolio optimisation and lower dilapidation costs. Total IT-related costs increased 7% to R6 675m, 18% of overall costs. Depreciation declined 3% and amortisation of intangible assets decreased 6% due to impairments recognised in 2014. Marketing costs grew 8% to R1 740m, given increased product advertising. Professional fees increased 18% reflecting strategic growth projects. Barclays Bank PLC spent approximately GBP30m on IT in the rest of Africa, which will continue for another two years. Other costs fell 18%, largely due to reduced fraud losses.

RBB and WIMI's operating expenses increased 4% to R28 168m and 4% to R3 018m respectively. Retail Banking South Africa's operating expenses grew 3%, driven by operational efficiencies and managing discretionary costs. Despite investing in relationship managers and systems, Business Banking South Africa's cost growth was contained to 4%. RBB Rest of Africa's operating expenses grew 7% despite strategic investments and inflationary pressures. CIB's cost grew 9% to R7 436m, reflecting higher IT spend.

Taxation

The Group's taxation expense increased 6% to R5 899m, slightly less than the 8% growth in pre-tax profit, resulting in a 27,7% effective tax rate from 28,3%. The decline was largely due to reducing expenses that were not deductible for tax purposes.

Segment performance

Group earnings remain well diversified by business and product line. RBB accounted for 64% of Group headline earnings excluding head office, eliminations and other central items. CIB contributed 26% and WIMI 10%.

Retail Banking South Africa

Headline earnings grew 16% to R6 628m, driven by 10% higher pre-provision profits and 2% lower credit impairments. Transactional and Deposits earnings grew 9% to R2 672m, given 14% higher net interest income on 11% deposit growth. Home Loans' earnings rose 15% to R1 813m, due to 9% lower costs and a 20% reduction in credit impairments. Card earnings increased 25% to R1 678m, as 6% revenue growth exceeded 1% lower costs and its credit loss ratio improved to 6,07%. The Edcon portfolio generated earnings of R123m, from its 2014 loss of R9m, due to far lower credit impairments. Vehicle and Asset Finance earnings declined 3% to R999m, given negative operating Jaws and 6% higher credit impairments. Personal Loans earnings grew 211% to R361m, reflecting 10% revenue growth, while costs and credit impairments fell 10% and 6% respectively. Losses in the 'Other' segment grew 13% to R895m, due to increased spending on strategic initiatives. Retail Banking South Africa accounted for 44% of total earnings, excluding the Group centre.

Business Banking South Africa

Headline earnings increased 5% to R2 175m, reflecting 4% growth in its core franchise and a 17% smaller loss in the non-core equity portfolio. Pre-provision profits grew 3% with 3% revenue growth slightly below 4% higher costs, while its credit loss ratio remained flat at 0,87%. Its RoRC improved to 29,5% excluding equities. Business Banking South Africa generated 14% of overall earnings excluding the Group centre.

Retail and Business Banking Rest of Africa

Headline earnings grew 24% to R895m or 17% in constant currency. Revenue growth of 12% exceeded 7% higher costs to increase pre-provision profits 28% and reduce its cost to income ratio to 69%. Credit impairments increased 21% resulting in a 2,07% credit loss ratio. RBB Rest of Africa contributed 6% of total earnings excluding the Group centre.

Segment performance *(continued)*

Corporate and Investment Bank

Headline earnings rose 6% to R3 940m, due to 6% higher pre-provision profits and 25% lower taxation. Revenues grew 8%, with Rest of Africa increasing 15% and South Africa 4%. Markets revenue declined 3%, with South Africa down 13% while Rest of Africa grew 23%. Costs rose 9%, reflecting continued investment in systems and technology. Credit impairments increased 220%, due to higher portfolio provisions and NPLs. Corporate earnings grew 16% to R1 965m, as 5% positive operating Jaws outweighed higher credit impairments. Corporate revenue grew 11% on 15% higher loans and advances to customers. Investment Bank's earnings fell 3% to R1 975m, given negative operating Jaws and increased credit impairments. CIB's RoRC declined to 17,1% from 19,5%, due to higher credit impairments. It contributed 26% of total earnings excluding the Group centre.

Wealth, Investment Management and Insurance

Headline earnings grew 11% to R1 464m and net operating income increased 16% to R1 924m. Life Insurance earnings rose 14% to R794m, due to 12% higher net premium income and 2% lower costs. Its return on embedded value declined to 22,7%. Life Insurance's embedded value of new business decreased 4% due to lower volumes in advice products and aligning credit life products and pricing outside South Africa. Wealth and Investment Management's earnings grew 5% to R438m given 11% gross operating income growth as net assets under management increased 6% to R274bn. Short-term Insurance earnings grew 40% to R237m as its underwriting margin and loss ratio improved. Fiduciary Services earnings increased 17% to R137m, while Distribution returned to profitability. WIMI South Africa's continuing business lines' earnings grew 13% to R1 400m, while rest of Africa was flat at R49m. WIMI's RoE improved to 24,9% from 23,2% and it generated 10% of earnings excluding the Group centre.

Prospects

While the risks of a global recession have abated, a meaningful acceleration in growth is unlikely. We forecast 3,3% global growth in 2016, but the outlook remains fragile, with risks tilted to the downside. Global monetary policy is expected to diverge, with tightening in the US while the euro area and China will continue to ease. In South Africa, weak confidence points to low investment and consumption spending in 2016. Inflation is expected to rise sharply, averaging 6,4% due to food inflation and a weaker rand. We forecast a further 75bps of interest rate increases this year and expect GDP growth to slow to 0,9%. Key risks facing South Africa include continued electricity supply disruptions and a potential credit ratings downgrade. Africa's medium-term outlook remains challenging given global and domestic factors. Overall, we expect economic growth of 5,1% in our presence countries in the rest of Africa.

Against this backdrop, we expect low single digit loan growth, with rest of Africa growing faster than South Africa. The Group's net interest margin should decline slightly as a higher proportion of CIB lending, a lower contribution from our hedging programme and introducing the National Credit Act caps in May 2016, offset the endowment benefit of higher interest rates. The credit loss ratio is expected to increase, as arrears are rising and we believe NPLs have bottomed. However, continued focus on revenue growth and cost management should improve the Group's cost-to-income ratio further. The balance sheet is well positioned for a potential deteriorating economic environment given its high level of portfolio provisions and low NPLs, as well as strong capital ratios and liquidity.

Basis of presentation

The Group's annual financial results have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), interpretations issued by the IFRS Interpretations Committee ("IFRS-IC"), the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act. The principal accounting policies applied are set out in the Group's most recent audited annual consolidated financial statements.

The information disclosed in the condensed consolidated financial results is derived from the information contained in the audited annual consolidated financial statements and does not contain full or complete disclosure details. Any investment decisions by shareholders should be based on consideration of the audited annual consolidated financial statements, which is available on request.

The preparation of financial information requires the use of estimates and assumptions about future conditions. Use of available information and application of judgement are inherent in the formation of estimates. The accounting policies that are deemed critical to the Group's results and financial position, in terms of the materiality of the items to which the policies are applied, and which involve a high degree of judgement including the use of assumptions and estimation, are impairment of loans and advances, goodwill impairment, fair value measurements, impairment of available-for-sale financial assets, consolidation of structured or sponsored entities, post-retirement benefits, provisions, income taxes, share-based payments, liabilities arising from claims made under short-term and long-term insurance contracts and offsetting of financial assets and liabilities.

Profit and dividend announcement

Accounting policies

The accounting policies applied in preparing the condensed consolidated annual financial statements are the same as those in place for the reporting period ended 31 December 2014 except for:

- Business portfolio changes between operating segments; and
- Internal accounting policy changes.

Auditors' report

PricewaterhouseCoopers Inc. and Ernst & Young Inc., Barclays Africa Group Limited's independent auditors, have audited the consolidated annual financial statements of Barclays Africa Group Limited from which management prepared the condensed consolidated financial results. The auditors have expressed an unqualified audit opinion on the consolidated annual financial statements. The condensed consolidated financial results comprise the condensed consolidated statement of financial position at 31 December 2015, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the reporting period then ended and selected explanatory notes, excluding items not indicated as audited. The audit report of the consolidated annual financial statements is available for inspection at Barclays Africa Group Limited's registered office.

Events after the reporting period

The directors are not aware of any events occurring between the reporting date of 31 December 2015 and the date of authorisation of these condensed consolidated annual financial results as defined in IAS 10 – Events after the Reporting Period (“IAS 10”).

The directors refer shareholders to the Group’s cautionary SENS announcement of 29 February 2016 regarding market speculation surrounding Barclays PLC’s shareholding in Barclays Africa Group Limited.

On behalf of the Board

W E Lucas-Bull
Group Chairman

M Ramos
Chief Executive Officer

Johannesburg

29 February 2016

Declaration of final ordinary dividend number 59

Shareholders are advised that an ordinary dividend of 550 cents per ordinary share was approved on 29 February 2016 and declared on 1 March 2016, for the period ended 31 December 2015. The ordinary dividend is payable to shareholders recorded in the register of members of the Company at the close of business on 8 April 2016. The directors of Barclays Africa Group Limited confirm that the Group will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

The dividend will be subject to local dividends withholding tax at a rate of 15%. In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves.
- The local dividend tax rate is fifteen per cent (15%).
- The gross local dividend amount is 550 cents per ordinary share for shareholders exempt from the dividend tax.
- The net local dividend amount is 467,50 cents per ordinary share for shareholders liable to pay for the dividend tax.
- Barclays Africa Group currently has 847 750 679 ordinary shares in issue (includes 2 025 369 treasury shares).
- Barclays Africa Group Limited's income tax reference number is 9150116714.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the following salient dates for the payment of the dividend are applicable:

Last day to trade cum dividend	Friday, 1 April 2016
Shares commence trading ex dividend	Monday, 4 April 2016
Record date	Friday, 8 April 2016
Payment date	Monday, 11 April 2016

Share certificates may not be dematerialised or rematerialised between Monday, 4 April 2016 and Friday, 8 April 2016, both dates inclusive. On Monday, 11 April 2016, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their participant or broker) will also be credited on Monday, 11 April 2016.

On behalf of the Board

N R Drutman

Group Company Secretary

Johannesburg

1 March 2016

Barclays Africa Group Limited is a company domiciled in South Africa. Its registered office is 7th Floor, Barclays Towers West, 15 Troye Street, Johannesburg, 2001.

Condensed consolidated statement of comprehensive income

for the reporting period ended 31 December

	Note	2015 Rm	2014 Rm	Change %
Net interest income	2	**38 407**	35 601	8
Interest and similar income		**73 603**	65 646	12
Interest expense and similar charges		**(35 196)**	(30 045)	17
Non-interest income	3	**28 791**	27 524	5
Net fee and commission income		**20 155**	18 667	8
Fee and commission income	3.1	**23 152**	21 598	7
Fee and commission expense	3.1	**(2 997)**	(2 931)	2
Net insurance premium income	3.2	**6 303**	6 014	5
Net claims and benefits incurred on insurance contracts	3.3	**(3 145)**	(3 044)	3
Changes in investment and insurance contract liabilities	3.4	**(214)**	(752)	(72)
Gains and losses from banking and trading activities	3.5	**3 933**	4 373	(10)
Gains and losses from investment activities	3.6	**786**	1 133	(31)
Other operating income	3.7	**973**	1 133	(14)
Total income		**67 198**	63 125	6
Impairment losses on loans and advances	4	**(6 920)**	(6 290)	10
Operating income before operating expenditure		**60 278**	56 835	6
Operating expenditure	5	**(37 661)**	(35 848)	5
Other expenses		**(1 443)**	(1 412)	2
Other impairments		**(84)**	(429)	(80)
Indirect taxation	6	**(1 359)**	(983)	38
Share of post-tax results of associates and joint ventures		**129**	142	(9)
Operating profit before income tax		**21 303**	19 717	8
Taxation expense	7	**(5 899)**	(5 573)	6
Profit for the reporting period		**15 404**	14 144	9
Profit attributable to:				
Ordinary equity holders		**14 331**	13 216	8
Non-controlling interest – ordinary shares		**752**	623	21
Non-controlling interest – preference shares		**321**	305	5
		15 404	14 144	9
Earnings per share:				
Basic earnings per share (cents)	1	**1 692,4**	1 560,1	8
Diluted basic earnings per share (cents)	1	**1 691,4**	1 559,2	8

Condensed consolidated statement of comprehensive income

for the reporting period ended 31 December

	2015 Rm	2014 Rm	Change %
Profit for the reporting period	**15 404**	14 144	9
Other comprehensive income			
Items that will not be reclassified to profit or loss	**(118)**	62	<(100)
Movement in retirement benefit fund assets and liabilities	**(118)**	62	<(100)
(Decrease)/increase in retirement benefit surplus	**(42)**	149	<(100)
Increase in retirement benefit deficit	**(72)**	(86)	(16)
Deferred tax	**(4)**	(1)	>100
Items that are or may be subsequently reclassified to profit or loss	**888**	(517)	<(100)
Movement in foreign currency translation reserve	**3 428**	(199)	<(100)
Differences in translation of foreign operations	**3 695**	198	>100
Gains released to profit or loss	**(267)**	(397)	(33)
Movement in cash flow hedging reserve	**(2 223)**	(251)	>100
Fair value (losses)/gains arising during the reporting period	**(2 029)**	1 094	<(100)
Amount removed from other comprehensive income and recognised in profit or loss	**(1 058)**	(1 443)	(27)
Deferred tax	**864**	98	>100
Movement in available-for-sale reserve	**(317)**	(67)	>100
Fair value gains arising during the reporting period	**(690)**	(142)	>100
Release to profit or loss	**210**	44	>100
Deferred tax	**163**	31	>100
Total comprehensive income for the reporting period	**16 174**	13 689	18
Total comprehensive income attributable to:			
Ordinary equity holders	**14 649**	12 682	16
Non-controlling interest – ordinary shares	**1 204**	702	72
Non-controlling interest – preference shares	**321**	305	5
	16 174	13 689	18

Condensed consolidated statement of financial position

as at 31 December

	Note	2015 Rm	2014[1] Rm	Change %
Assets				
Cash, cash balances and balances with central banks		**45 904**	39 103	17
Investment securities		**100 965**	97 118	4
Loans and advances to banks		**85 951**	72 225	19
Trading portfolio assets		**137 163**	90 498	52
Hedging portfolio assets		**2 232**	2 350	(5)
Other assets		**25 846**	15 514	67
Current tax assets		**833**	381	>100
Non-current assets held for sale		**1 700**	972	75
Loans and advances to customers	8	**703 359**	636 326	11
Reinsurance assets		**581**	731	(21)
Investments linked to investment contracts		**19 517**	19 317	1
Investments in associates and joint ventures		**1 000**	845	18
Investment properties		**1 264**	727	74
Property and equipment		**13 252**	11 177	19
Goodwill and intangible assets		**3 772**	3 219	17
Deferred tax assets		**1 265**	911	39
Total assets		**1 144 604**	991 414	15
Liabilities				
Deposits from banks		**62 980**	52 977	19
Trading portfolio liabilities		**90 407**	49 772	82
Hedging portfolio liabilities		**4 531**	2 577	76
Other liabilities		**24 982**	21 079	19
Provisions		**3 236**	2 943	10
Current tax liabilities		**242**	54	>100
Non-current liabilities held for sale		**233**	372	(37)
Deposits due to customers	9	**688 419**	624 886	10
Debt securities in issue	10	**128 683**	106 098	21
Liabilities under investment contracts		**24 209**	23 299	4
Policyholder liabilities under insurance contracts		**4 340**	3 871	12
Borrowed funds	11	**13 151**	11 208	17
Deferred tax liabilities		**544**	1 333	(59)
Total liabilities		**1 045 957**	900 469	16
Equity				
Capital and reserves				
Attributable to ordinary equity holders:				
Share capital	11	**1 691**	1 694	0
Share premium	11	**4 250**	4 548	(7)
Retained earnings		**75 785**	70 237	8
Other reserves		**7 566**	6 211	22
		89 292	82 690	8
Non-controlling interest – ordinary shares		**4 711**	3 611	30
Non-controlling interest – preference shares		**4 644**	4 644	—
Total equity		**98 647**	90 945	8
Total liabilities and equity		**1 144 604**	991 414	15

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

This page has been left blank intentionally

Condensed consolidated statement of changes in equity

for the reporting period ended 31 December

	Number of ordinary shares '000	Share capital Rm	Share[1] premium Rm	Retained earnings Rm	Total other reserves Rm
Balance at the beginning of the reporting period	846 870	1 694	4 548	70 237	6 211
Total comprehensive income	—	—	—	14 228	421
Profit for the period	—	—	—	14 331	—
Other comprehensive income	—	—	—	(103)	421
Dividends paid	—	—	—	(8 248)	—
Purchase of Group shares in respect of equity-settled share-based payment arrangements	—	—	(12)	3	—
Elimination of the movement in treasury shares held by Group entities	(1 145)	(3)	(289)	—	—
Movement in share-based payment reserve	—	—	3	—	673
Transfer from share-based payment reserve	—	—	3	—	(3)
Value of employee services	—	—	—	—	283
Conversion from cash-settled to equity-settled schemes	—	—	—	—	430
Deferred tax	—	—	—	—	(37)
Movement in general credit-risk reserve	—	—	—	(130)	130
Movement in foreign insurance subsidiary regulatory reserve	—	—	—	(2)	2
Share of post-tax results of associates and joint ventures	—	—	—	(129)	129
Acquisition of subsidiaries[2]	—	—	—	—	—
Disposal of interest in a subsidiary[3]	—	—	—	(174)	—
Balance at the end of the reporting period	845 725	1 691	4 250	75 785	7 566

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm
Balance at the beginning of the reporting period	847 313	1 695	4 474	64 701	6 447
Total comprehensive income	—	—	—	13 232	(550)
Profit for the period	—	—	—	13 216	—
Other comprehensive income	—	—	—	16	(550)
Dividends paid	—	—	—	(7 365)	—
Purchase of Group shares in respect of equity-settled share-based payment arrangements	—	—	(46)	—	—
Elimination of the movement in treasury shares held by Group entities	(443)	(1)	97	—	—
Movement in share-based payment reserve	—	—	23	—	11
Transfer from share-based payment reserve	—	—	23	—	(23)
Value of employee services	—	—	—	—	34
Movement in foreign insurance subsidiary regulatory reserve	—	—	—	(4)	4
Movement in general credit-risk reserve	—	—	—	(157)	157
Share of post-tax results of associates and joint ventures	—	—	—	(142)	142
Acquisition of non-controlling interest and related transaction costs	—	—	—	—	—
Disposal of a non-core subsidiary	—	—	—	(28)	—
Balance at the end of the reporting period	846 870	1 694	4 548	70 237	6 211

Notes

[1] The movement during the current reporting period is largely due to the elimination of treasury shares in the share incentive trust. These shares were acquired by the trust as part of the conversion of the cash-settled share-based payment schemes to the equity-settled share-based payment schemes.

[2] During the current reporting period the Group acquired a 63,32% shareholding in First Assurance Holdings Limited.

[3] The Group disposed of part of its interest in National Bank of Commerce ("NBC"), reducing its interest from 66% to 55%.

2015

	General credit-risk reserve Rm	Available-for-sale reserves Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Share-based payment reserve Rm	Associates and joint ventures' reserve Rm	Capital and reserves attributable to ordinary equity holders Rm	Non-controlling interest – ordinary shares Rm	Non-controlling interest – preference shares Rm	Total equity Rm
	597	912	353	3 465	20	56	808	82 690	3 611	4 644	90 945
	—	(352)	(2 223)	2 996	—	—	—	14 649	1 204	321	16 174
	—	—	—	—	—	—	—	14 331	752	321	15 404
	—	(352)	(2 223)	2 996	—	—	—	318	452	—	770
	—	—	—	—	—	—	—	(8 248)	(495)	(321)	(9 064)
	—	—	—	—	—	—	—	(9)	—	—	(9)
	—	—	—	—	—	—	—	(292)	—	—	(292)
	—	—	—	—	—	673	—	676	4	—	680
	—	—	—	—	—	(3)	—	—	—	—	—
	—	—	—	—	—	283	—	283	4	—	287
	—	—	—	—	—	430	—	430	—	—	430
	—	—	—	—	—	(37)	—	(37)	—	—	(37)
	130	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	2	—	—	—	—	—	—
	—	—	—	—	—	—	129	—	—	—	—
	—	—	—	—	—	—	—	—	209	—	209
	—	—	—	—	—	—	—	(174)	178	—	4
	727	560	(1 870)	6 461	22	729	937	89 292	4 711	4 644	98 647

2014

	General credit-risk reserve Rm	Available-for-sale reserves Rm	Cash flow hedging reserve Rm	Foreign currency translation reserve Rm	Foreign insurance subsidiary regulatory reserve Rm	Share-based payment reserve Rm	Associates and joint ventures' reserve Rm	Capital and reserves attributable to ordinary equity holders Rm	Non-controlling interest – ordinary shares Rm	Non-controlling interest – preference shares Rm	Total equity Rm
	440	979	604	3 697	16	45	666	77 317	3 240	4 644	85 201
	—	(67)	(251)	(232)	—	—	—	12 682	702	305	13 689
	—	—	—	—	—	—	—	13 216	623	305	14 144
	—	(67)	(251)	(232)	—	—	—	(534)	79	—	(455)
	—	—	—	—	—	—	—	(7 365)	(311)	(305)	(7 981)
	—	—	—	—	—	—	—	(46)	—	—	(46)
	—	—	—	—	—	—	—	96	—	—	96
	—	—	—	—	—	11	—	34	—	—	34
	—	—	—	—	—	(23)	—	—	—	—	—
	—	—	—	—	—	34	—	34	—	—	34
	—	—	—	—	4	—	—	—	—	—	—
	157	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	142	—	—	—	—
	—	—	—	—	—	—	—	—	(48)	—	(48)
	—	—	—	—	—	—	—	(28)	28	—	—
	597	912	353	3 465	20	56	808	82 690	3 611	4 644	90 945

Condensed consolidated statement of cash flows

for the reporting period ended 31 December

	Note	2015 Rm	2014 Rm	Change %
Net cash generated from operating activities		**16 357**	18 233	(10)
Net cash utilised in investing activities		**(4 547)**	(5 462)	(17)
Net cash utilised in financing activities		**(7 316)**	(12 055)	(39)
Net increase in cash and cash equivalents		**4 494**	716	>100
Cash and cash equivalents at the beginning of the reporting period	1	**16 626**	15 854	5
Effect of foreign exchange rate movements on cash and cash equivalents		**246**	56	>100
Cash and cash equivalents at the end of the reporting period	2	**21 366**	16 626	29

Notes to the condensed consolidated statement of cash flows

1. Cash and cash equivalents at the beginning of the reporting period

	2015 Rm	2014 Rm	Change %
Cash, cash balances and balances with central banks[1]	**12 903**	12 653	2
Loans and advances to banks[2]	**3 723**	3 201	16
	16 626	15 854	5

2. Cash and cash equivalents at the end of the reporting period

	2015 Rm	2014 Rm	Change %
Cash, cash balances and balances with central banks[1]	**12 899**	12 903	(0)
Loans and advances to banks[2]	**8 467**	3 723	>100
	21 366	16 626	29

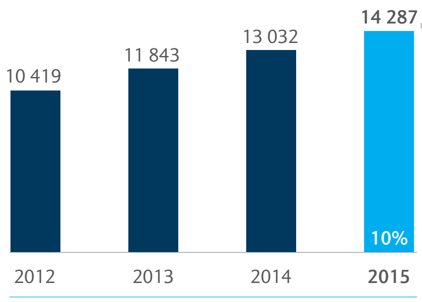
Notes

[1] Includes coins and bank notes.

[2] Includes call advances, which are used as working capital by the Group.

1. Headline earnings and earnings per ordinary share

Headline earnings (Rm and change %)



Headline earnings	2015 Gross Rm	2015 Net[1] Rm	2014 Gross Rm	2014 Net[1] Rm	Net change %
Headline earnings are determined as follows:					
Profit attributable to ordinary equity holders of the Group		14 331		13 216	8
Total headline earnings adjustment		(44)		(184)	(76)
IFRS 3 – Goodwill impairment	1	1	1	1	—
IFRS 5 – Gains on disposal of non-current asset held for sale	(1)	(1)	(97)	(86)	(99)
IAS 16 – Profit on disposal of property and equipment	(13)	(10)	(19)	(15)	(33)
IAS 21 – Recycled foreign currency translation reserve	(267)	(267)	(397)	(397)	(33)
IAS 27 – Profit on disposal of subsidiaries	—	—	(44)	(35)	(100)
IAS 28 – Impairment of investments in associates and joint ventures	—	—	2	2	(100)
IAS 36 – Impairment of property and equipment	1	1	260	189	(99)
IAS 36 and IAS 38 – Gain on disposal and impairment of intangible assets	65	46	148	107	(57)
IAS 39 – Release of available-for-sale reserves	210	152	44	31	>100
IAS 40 – Change in fair value of investment properties	47	34	18	19	79
		14 287		13 032	10

Notable adjustments to headline earnings

- "Gains on disposal of non-current assets held for sale" during the previous reporting period are mainly attributable to the disposal of a non-core business line in CIB.
- The "Recycled foreign currency translation reserve" is attributable to the settlement of a foreign currency loan which formed part of the permanent capital of the foreign operation. Part of the loan was settled in the previous reporting period, and the final settlement was completed in the current reporting period.
- "Profit on disposal of subsidiaries" in the previous reporting period relates to Commercial Property Finance ("CPF") in RBB.
- The "Impairment of property and equipment" in the previous reporting period relates to leasehold improvements and furniture situated in buildings that were exited or renovated.
- The "Impairment of intangible assets" is mainly due to impairments of WIMI's previously used assets as the business is investing in integrated technology across Africa.
- The "Release of available-for-sale reserves" relates to releases from the sale of government bonds during the current reporting period.
- "Change in fair value of investment properties" relates to CPF.

Note
[1] The net amount is reflected after taxation and non-controlling interest.

Performance indicators and condensed notes to the consolidated financial statements

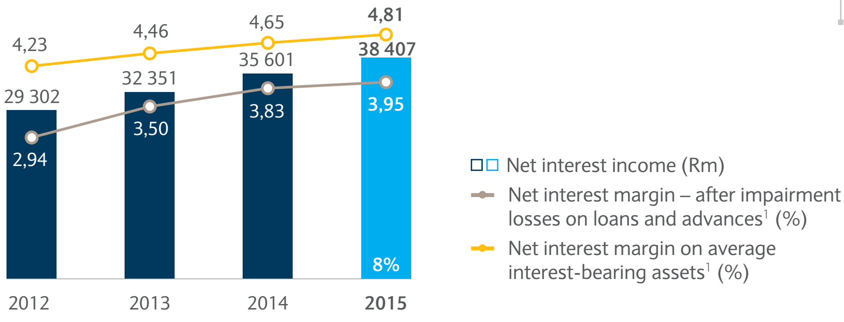
for the reporting period ended 31 December

1. Headline earnings and earnings per ordinary share *(continued)*

	2015	2014	Change value/%
Basic earnings per ordinary share			
Basic earnings attributable to ordinary equity holders (Rm)	**14 331**	13 216	8
Weighted average number of ordinary shares in issue (millions)	**846,8**	847,1	(0,3)
Issued shares at the beginning of the reporting period (millions)	**847,8**	847,8	—
Treasury shares held by Group entities (millions)	**(1,0)**	(0,7)	(0,3)
Basic earnings per ordinary share (cents)	**1 692,4**	1 560,1	8
Diluted basic earnings per ordinary share			
Basic earnings attributable to ordinary equity holders (Rm)	**14 331**	13 216	8
Diluted weighted average number of ordinary shares in issue (millions)	**847,3**	847,6	(0,3)
Weighted average number of ordinary shares in issue (millions)	**846,8**	847,1	(0,3)
Adjustments for share options at no value (millions)	**0,5**	0,5	—
Diluted basic earnings per ordinary share (cents)	**1 691,4**	1 559,2	8
Headline earnings per ordinary share			
Headline earnings attributable to ordinary equity holders (Rm)	**14 287**	13 032	10
Weighted average number of ordinary shares in issue (millions)	**846,8**	847,1	(0,3)
Headline earnings per ordinary share (cents)	**1 687,2**	1 538,4	10
Diluted headline earnings per ordinary share			
Headline earnings attributable to ordinary equity holders (Rm)	**14 287**	13 032	10
Diluted weighted average number of ordinary shares in issue (millions)	**847,3**	847,6	(0,3)
Diluted headline earnings per ordinary share (cents)	**1 686,2**	1 537,5	10

2. Net interest income

Net interest income and net interest margin (Rm, % and change %)



Group average statement of financial position[1]	2015 Average balance Rm	2015 Average rate %	2015 Interest income/ (expense) Rm	2014 Average balance[2] Rm	2014 Average rate[2] %	2014 Interest income/ (expense)[2] Rm
Assets						
Cash, cash balances and balances with central banks	950	2,32	22	1 696	2,24	38
Investment securities	84 662	8,70	7 365	85 652	8,00	6 853
Loans and advances to banks and customers	713 704	9,03	64 450	678 098	8,46	57 389
Other interest[3]	—	—	1 766	—	—	1 366
Interest-bearing assets	799 316	9,21	73 603	765 445	8,58	65 646
Non-interest-bearing assets	245 388	—	—	216 444	—	—
Total assets	1 044 704	7,05	73 603	981 889	6,69	65 646
Liabilities						
Deposits due to banks and customers	637 454	(4,18)	(26 663)	610 205	(4,00)	(24 407)
Debt securities in issue	119 511	(6,92)	(8 271)	106 310	(6,38)	(6 785)
Borrowed funds	11 891	(12,28)	(1 460)	12 674	(10,04)	(1 272)
Other interest[3]	—	—	1 198	—	—	2 419
Interest-bearing liabilities	768 856	(4,58)	(35 196)	729 189	(4,12)	(30 045)
Non-interest-bearing liabilities	181 718	—	—	165 583	—	—
Total liabilities	950 574	(3,70)	(35 196)	894 772	(3,36)	(30 045)
Total equity	94 130	—	—	87 117	—	—
Total equity and liabilities	1 044 704	(3,37)	(35 196)	981 889	(3,06)	(30 045)
Net interest margin on average interest-bearing assets		4,81			4,65	

Notes
[1] Average balances are calculated based on daily weighted average balances.
[2] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
[3] "Other interest" on assets and liabilities includes fair value adjustments on hedging instruments and hedged items.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

2. Net interest income *(continued)*

Change in net interest margin	2015 bps	2014 bps
Loans and advances to customers (i)	**8**	(4)
Change in customer rates (pricing)	**8**	(2)
Change in composition	**0**	(2)
Deposits due to customers (ii)	**2**	14
Change in customer rates (pricing)	**3**	6
Change in composition	**(3)**	6
Endowment (iii)	**2**	2
Equity endowment (iii)	**1**	2
Interest rate risk management (hedging strategy) (iii)	**(6)**	(5)
Rest of Africa (iv)	**4**	(6)
Other (v)	**7**	18
	16	19

Performance

The Group's net interest margin expanded by **16 bps** (2014: 19 bps) during the current reporting period. The increase in the net interest margin is mainly attributable to the following:

(i) Loans and advances to customers

- Improved margins within Home Loans and Personal Loans contributed favourably to the Group's asset margin. This was partially offset by the adverse impact of competitive market pricing and also once-off recognition adjustments relating to fees in the prior period within Vehicle Asset Finance (VAF).
- A reduction in the Home Loans portfolio relative to the Group's overall loans and advances growth created a positive composition effect, offset by the growth in advances within the South African Investment Bank.

(ii) Deposits due to customers

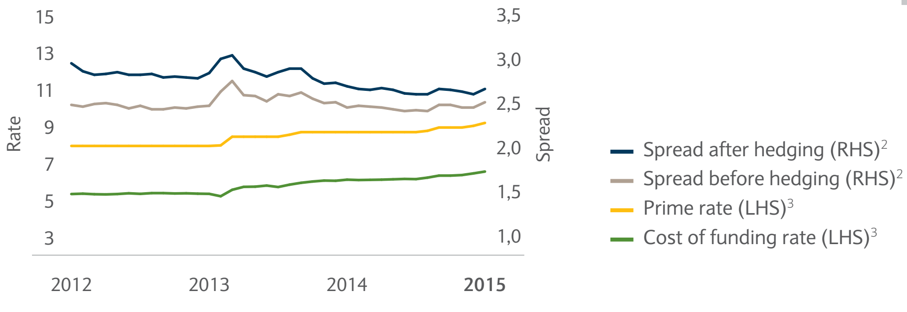
- Improved pricing within Retail Banking, was offset by margin compression within Business Banking and higher wholesale liquidity premiums.
- Strong growth in lower margin deposit products within Retail and Business Banking has created a negative composition effect, partially offset by the benefit of relatively lower wholesale funding.

2. Net interest income *(continued)*

Performance *(continued)*

(iii) Hedging strategy

Hedging impact on net interest margin[1] (%)



- Absa Bank Limited employs a governed interest rate strategy ("hedging programme") through the interest rate cycle to reduce margin volatility associated with structural balances (i.e. rate insensitive liabilities as well as the endowment associated with equity).
- Qualification criterion for balances to be treated as structural are well-defined and tested. As at the reporting date an aggregate of 14% (2014: 15%) of Absa Bank Limited's total capital and liabilities constituted structural balances.
- Cash flow hedge accounting is applied to account for interest rate swaps executed as part of the hedging programme. The change in mark-to-market value is deferred to the "Cash flow hedging reserve", from where it is released to the Statement of comprehensive income on an accrual basis. The after tax "Cash flow hedging reserve" relating to the hedging programme decreased from a credit balance of R0,4bn in 2014 to a debit balance of R2,1bn in 2015, largely as a result of the increase in average swap rates compared to the previous reporting period. The benefit realised in the current reporting period of 14 bps was **6 bps** lower (2014: 5 bps lower) compared to the benefit of 20 bps in the previous reporting period. In the current reporting period, **R1 110m** (2014: R1 494m) was released to the Statement of comprehensive income.

(iv) Rest of Africa

- Africa had a 4 bps favourable impact on the margin comprising positive pricing changes of 1bp, in addition to a 3 bps positive composition impact as a result of its increased weighting in the overall Group's loans and advances. The favourable impact from pricing changes was due to increasing interest rates in a number of markets, offset by competitive pricing and regulatory pressures.

(v) Other

Other factors included in the 7 bps favourable year-on-year margin movements are:

- Change in the funding model applied to foreign currency loans in CIB (8 bps favourable); partially offset by
- A reduction in margin due to an additional increase in lower-yielding High Quality Liquid Assets in order to meet regulatory requirements (3 bps unfavourable).

Notes

[1] Absa Bank Limited hedging strategy:
- The hedging programme provides greater margin stability from an interest rate risk perspective over the entire cycle.
- In a decreasing rate scenario, the hedging programme enhances the net interest margin while the opposite is true for an increasing rate scenario.
- Basis risk still remains between prime assets and the three-month Johannesburg Interbank Agreed Rate ("JIBAR") repricing liabilities after hedging.

[2] Right-hand side of the "y" axis.

[3] Left-hand side of the "y" axis.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

3. Non-interest income

3.1 Net fee and commission income

	2015 Rm	2014 Rm	Change %
Asset management and other related fees	**108**	129	(16)
Consulting and administration fees	**779**	705	10
Credit-related fees and commissions	**17 279**	15 814	9
Cheque accounts	**4 159**	3 871	7
Credit cards[1]	**2 172**	1 591	37
Electronic banking	**4 871**	4 334	12
Other[2]	**3 786**	3 716	2
Savings accounts	**2 291**	2 302	0
Insurance commission received	**1 145**	1 148	0
Investment banking fees	**333**	312	7
Merchant income	**1 731**	1 861	(7)
Other fee and commission income	**334**	210	59
Trust and other fiduciary service fees	**1 443**	1 419	2
Portfolio and other management fees	**1 151**	1 138	1
Trust and estate income	**292**	281	4
Fee and commission income	**23 152**	21 598	7
Fee and commission expense	**(2 997)**	(2 931)	2
Cheque processing fees	**(127)**	(131)	(3)
Insurance commission paid	**(1 039)**	(1 075)	(3)
Other fee and commission expense	**(1 635)**	(1 426)	15
Transaction-based legal fees	**(1)**	(77)	(99)
Trust and other fiduciary service fees	**(71)**	(78)	(9)
Valuation fees	**(124)**	(144)	(14)
	20 155	18 667	8
Segment split[3]			
RBB	**17 011**	15 943	7
Retail Banking South Africa	**11 689**	11 153	5
Business Banking South Africa	**3 119**	2 966	5
RBB Rest of Africa	**2 203**	1 824	21
CIB	**2 099**	1 813	16
WIMI	**1 375**	1 244	11
Head Office, Treasury and other operations	**(330)**	(333)	(1)
	20 155	18 667	8

Notes

1 Includes card issuing fees.
2 Includes service and credit-related fees and commissions on mortgage loans and foreign exchange transactions.
3 These numbers have been restated, refer to the reporting changes overview on the inside cover page.

3. Non-interest income *(continued)*

3.2 Net insurance premium income

	2015 Rm	2014 Rm	Change %
Gross claims and benefits paid on insurance contracts	**8 181**	8 415	(3)
Premiums ceded to reinsurers	**(1 878)**	(2 401)	(22)
	6 303	6 014	5
Segment split			
Retail Banking South Africa, including Woolworths Financial Services ("WFS")	**281**	250	12
WIMI	**6 022**	5 764	4
	6 303	6 014	5

3.3 Net claims and benefits incurred on insurance contracts

	2015 Rm	2014 Rm	Change %
Gross claims and benefits incurred on insurance contracts	**(4 178)**	(4 122)	1
Reinsurance recoveries	**1 033**	1 078	(4)
	(3 145)	(3 044)	3
Segment split			
Retail Banking South Africa, including WFS	**(40)**	(27)	48
WIMI	**(3 105)**	(3 016)	3
Head Office, Treasury and other operations	**—**	(1)	(100)
	(3 145)	(3 044)	3

3.4 Changes in investment and insurance contract liabilities

	2015 Rm	2014 Rm	Change %
Change in insurance contract liabilities	**70**	(168)	<(100)
Change in investment contract liabilities[1]	**(284)**	(584)	(51)
	(214)	(752)	(72)
Segment split			
Retail Banking South Africa, including WFS	**(3)**	2	<(100)
WIMI	**(216)**	(758)	(72)
Head Office, Treasury and other operations	**5**	4	25
	(214)	(752)	(72)

Note

[1] One of the main drivers to the movement of the Group's "Liabilities under investment contracts" is the underlying performance of the related assets. "Change in investment contract liabilities" should therefore be read in conjunction with "Net gains on investments from insurance activities: Policyholder investment contracts" reported in "Gains and losses from investment activities".

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

3. Non-interest income *(continued)*

3.5 Gains and losses from banking and trading activities

	2015 Rm	2014 Rm	Change %
Net losses on investments	**(225)**	(91)	>100
Debt instruments designated at fair value through profit or loss	**18**	7	>100
Equity instruments designated at fair value through profit or loss	**(33)**	(54)	(39)
Available-for-sale unwind from reserves	**(210)**	(44)	>100
Net trading result	**4 103**	4 246	(3)
Net trading income excluding the impact of hedge accounting	**4 253**	4 493	(5)
Ineffective portion of hedges	**(150)**	(247)	(39)
Cash flow hedges	**(188)**	(239)	(21)
Fair value hedges	**38**	(8)	<(100)
Other gains	**55**	174	(68)
Profit on sale of subsidiaries[1]	**—**	44	(100)
	3 933	4 373	(10)
Segment split[2]			
RBB	**546**	356	53
Retail Banking South Africa	**129**	64	>100
Business Banking South Africa	**15**	(19)	>100
RBB Rest of Africa	**402**	311	29
CIB	**3 706**	4 503	(18)
WIMI	**1**	4	(75)
Head Office, Treasury and other operations	**(320)**	(490)	(35)
	3 933	4 373	(10)

3.6 Gains and losses from investment activities

	2015 Rm	2014 Rm	Change %
Net gains on investments from insurance activities	**679**	1 090	(38)
Policyholder insurance contracts	**85**	299	(72)
Policyholder investment contracts[3]	**337**	508	(34)
Shareholders' funds	**257**	283	(9)
Other gains	**107**	43	>100
	786	1 133	(31)
Segment split			
CIB	**1**	7	(86)
WIMI	**698**	1 313	(47)
Head Office, Treasury and other operations	**87**	(187)	<(100)
	786	1 133	(31)

Notes

[1] The Group sold its investment in a non-core subsidiary on 2 January 2014. The disposal resulted in the derecognition of the subsidiary and a non-headline earnings profit of R44m.

[2] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[3] One of the main drivers to the movement of the Group's "Liabilities under investment contracts" is the underlying performance of the related assets. "Net gains on investments from insurance activities: Policyholder investment contracts" should therefore be read in conjunction with "Change in investment contracts" reported in "Changes in investment and insurance contract liabilities.

3. Non-interest income *(continued)*

3.7 Other operating income

	2015 Rm	2014 Rm	Change %
Property-related income	**281**	318	(12)
Income from investment properties	**144**	185	(22)
Change in fair value	**35**	13	>100
Rentals	**109**	172	(37)
Profit on disposal of property and equipment	**14**	19	(26)
Profit on sale of developed properties	**31**	31	—
Profit on sale of repossessed properties	**13**	32	(59)
Rental income	**79**	51	55
Other operating income	**692**	815	(15)
Foreign exchange differences, including recycle from other comprehensive income	**327**	403	(19)
Income from maintenance contracts	**30**	28	7
Profit/(loss) on disposal of intangible assets	**7**	(2)	<(100)
Sundry income[1]	**328**	386	(15)
	973	1 133	(14)
Segment split[2]			
Property-related income	**280**	318	(12)
RBB	**226**	273	(17)
Retail Banking South Africa	**25**	76	(67)
Business Banking South Africa	**194**	192	1
RBB Rest of Africa	**7**	5	40
CIB	**—**	3	(100)
WIMI	**30**	18	67
Head Office, Treasury and other operations	**24**	24	—
Other operating income	**693**	815	(15)
RBB	**217**	226	(5)
Retail Banking South Africa	**201**	182	10
Business Banking South Africa	**8**	27	(70)
RBB Rest of Africa	**8**	17	(53)
CIB	**120**	176	(32)
WIMI	**157**	59	>100
Head Office, Treasury and other operations	**199**	354	(44)
	973	1 133	(14)

Notes

[1] Includes service fees levied on asset finance as well as the profit on disposal of sundry non-core business activities.

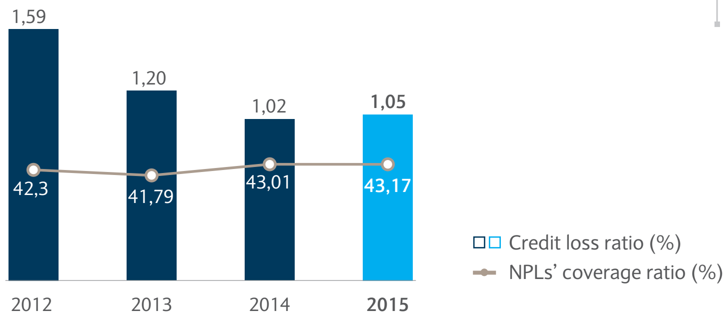
[2] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Impairment losses on loans and advances

Credit loss and NPLs' coverage ratios (%)



Charge to the statement of comprehensive income by market segment	**2015 Rm**	2014[1] Rm	Change %
RBB			
Total charge	**6 094**	6 017	1
Credit loss ratio (%)	**1,29**	1,32	
Retail Banking South Africa			
Card	**2 344**	2 262	4
Consumer Bank	**888**	933	(5)
Home Loans	**689**	860	(20)
Vehicle and Asset Finance	**848**	797	6
Other	**—**	(4)	(100)
Total charge	**4 769**	4 848	(2)
Credit loss ratio (%)	**1,28**	1,33	
Business Banking South Africa			
Total charge	**548**	528	4
Credit loss ratio (%)	**0,87**	0,87	
RBB Rest of Africa			
Total charge	**777**	641	21
Credit loss ratio (%)	**2,07**	1,95	
CIB			
Total charge	**793**	248	>100
Credit loss ratio (%)	**0,44**	0,16	
WIMI			
Total charge	**(5)**	25	<(100)
Credit loss ratio (%)	**(0,10)**	0,46	
Head Office, Treasury and other operations			
Total charge	**38**	—	>100
Total charge to the statement of comprehensive income	**6 920**	6 290	10
Comprising:			
Impairments raised	**7 896**	7 280	8
Identified impairments	**7 452**	6 967	7
Unidentified impairments	**444**	313	42
Recoveries of loans and advances previously written off[2]	**(976)**	(990)	(1)
Total charge to the statement of comprehensive income	**6 920**	6 290	10
Credit loss ratio (%)	**1,05**	1,02	

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] Includes collection costs of **R295m** (2014: R193m).

4. Impairment losses on loans and advances *(continued)*

Charge to the statement of comprehensive income by geographical segment	2015 Rm	2014 Rm	Change %
South Africa	5 706	5 565	3
Credit loss ratio (%)	0,97	1,00	
Rest of Africa	1 214	725	67
Credit loss ratio (%)	1,70	1,17	

	2015						
	Performing loans			Non-performing loans			
Loans and advances to customers	Exposure Rm	Impairment Rm	Coverage ratio %	Exposure Rm	Impairment Rm	Coverage ratio %	Net total exposure Rm
RBB	473 956	4 184	0,88	25 077	11 094	44,24	483 755
Retail Banking South Africa	367 475	3 024	0,82	18 198	7 652	42,05	374 997
Credit cards	36 390	724	1,99	5 014	3 532	70,44	37 148
Instalment credit agreements	72 426	548	0,76	1 602	621	38,76	72 859
Loans to associates and joint ventures	16 176	—	—	—	—	—	16 176
Mortgages	222 315	1 243	0,56	9 341	2 064	22,10	228 349
Other loans and advances	367	—	—	—	—	—	367
Overdrafts	2 781	34	1,22	172	99	57,56	2 820
Personal and term loans	17 020	475	2,79	2 069	1 336	64,57	17 278
Business Banking South Africa	62 052	661	1,07	3 306	1 152	34,85	63 545
Mortgages[1]	30 016	190	0,63	1 620	586	36,17	30 860
Overdrafts	17 844	271	1,52	960	370	38,54	18 163
Term loans	14 192	200	1,41	726	196	27,00	14 522
RBB Rest of Africa	44 429	499	1,12	3 573	2 290	64,09	45 213
CIB	212 508	766	0,36	2 834	951	33,56	213 625
WIMI	5 346	32	0,60	69	33	47,83	5 350
Head Office, Treasury and other operations	669	40	5,98	—	—	—	629
	692 479	5 022	0,73	27 980	12 078	43,17	703 359

Note
[1] Includes commercial property loans and loans to associates and joint ventures.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

4. Impairment losses on loans and advances *(continued)*

	2014[1]						
	Performing loans			Non-performing loans			
Loans and advances to customers	Exposure Rm	Impairment Rm	Coverage ratio %	Exposure Rm	Impairment Rm	Coverage ratio %	Net total exposure Rm
RBB	454 475	3 942	0,87	25 663	11 352	44,23	464 844
Retail Banking South Africa	360 427	2 989	0,83	18 452	7 923	42,94	367 967
Credit cards	35 814	699	1,95	4 808	3 439	71,53	36 484
Instalment credit agreements	70 654	479	0,68	1 195	551	46,11	70 819
Loans to associates and joint ventures	13 012	—	—	—	—	—	13 012
Mortgages	222 562	1 376	0,62	10 492	2 655	25,30	229 023
Other loans and advances	410	—	—	—	—	—	410
Overdrafts	2 247	32	1,42	122	83	68,03	2 254
Personal and term loans	15 728	403	2,56	1 835	1 195	65,12	15 965
Business Banking South Africa	59 168	621	1,05	3 925	1 407	35,85	61 065
Mortgages[2]	29 514	269	0,91	1 827	777	42,53	30 295
Overdrafts	17 804	216	1,21	921	358	38,87	18 151
Term loans	11 850	136	1,15	1 177	272	23,11	12 619
RBB Rest of Africa	34 880	332	0,95	3 286	2 022	61,53	35 812
CIB	164 453	373	0,23	1 652	381	23,06	165 351
WIMI	5 263	44	0,84	53	38	71,70	5 234
Head Office, Treasury and other operations	897	—	—	—	—	—	897
	625 088	4 359	0,70	27 368	11 771	43,01	636 326

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] Includes commercial property loans and loans to associates and joint ventures.

4. Impairment losses on loans and advances *(continued)*

Reconciliation of allowance for impairment losses on loans and advances to customers	Retail Banking South Africa Rm	Business Banking South Africa Rm	RBB Rest of Africa Rm	CIB Rm	WIMI Rm	Head Office, Treasury and other operations Rm	Total Rm
				2015			
Balance at the beginning of the reporting period	**10 912**	**2 028**	**2 354**	**754**	**82**	**—**	**16 130**
Net present value unwind on non-performing book	**(594)**	**(130)**	**—**	**—**	**—**	**—**	**(724)**
Exchange differences	**—**	**—**	**300**	**136**	**—**	**—**	**436**
Transfer between segments	**—**	**—**	**(86)**	**86**	**—**	**—**	**—**
Amounts written off	**(5 063)**	**(784)**	**(719)**	**(57)**	**(15)**	**—**	**(6 638)**
Impairment raised – identified	**5 464**	**572**	**870**	**545**	**(1)**	**2**	**7 452**
Impairment raised – unidentified	**(43)**	**127**	**70**	**253**	**(1)**	**38**	**444**
Balance at the end of the reporting period	**10 676**	**1 813**	**2 789**	**1 717**	**65**	**40**	**17 100**

Reconciliation of allowance for impairment losses on loans and advances to customers	Retail Banking South Africa Rm	Business Banking South Africa Rm	RBB Rest of Africa Rm	CIB Rm	WIMI Rm	Head Office, Treasury and other operations Rm	Total Rm
				2014[1]			
Balance at the beginning of the reporting period	10 509	2 283	2 365	680	102	110	16 049
Net present value unwind on non-performing book	(497)	(147)	—	—	—	—	(644)
Exchange differences	—	—	(76)	—	—	—	(76)
Amounts written off	(4 655)	(813)	(667)	(185)	(49)	(110)	(6 479)
Impairment raised – identified	5 430	687	643	199	8	—	6 967
Impairment raised – unidentified	125	18	89	60	21	—	313
Balance at the end of the reporting period	10 912	2 028	2 354	754	82	—	16 130

Statement of financial position – identified and unidentified impairments	2015 Rm	2014 Rm	Change %
Comprising:			
Identified impairments	**14 755**	14 318	3
Performing loans	**2 682**	2 547	5
NPLs	**12 073**	11 771	3
Unidentified impairments	**2 345**	1 812	29
Model driven	**1 260**	1 145	10
Macroeconomic	**1 085**	667	63
	17 100	16 130	6

Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended 31 December

4. Impairment losses on loans and advances *(continued)*

Performance

Impairment losses on loans and advances increased from 102 bps to 105 bps relative to the prior reporting period. This is due to an increase in macro-economic provisions of R418m and higher defaults in the rest of Africa portfolio. Offsetting this is an improvement in the Mortgage portfolio construct and improved recoveries in consumer lending. The write-off of legal cases and a slowdown of CPF defaults resulted in a reduction of the NPLs' coverage ratio from 35,85% to 34,85%.

Given the current economic environment in which the Group operates, performing loan coverage increased from 0,70% to 0,73%. The NPL coverage ratio increased from 43,01% to 43,17% due to specific provisions raised in CIB and increased inflow into debt counselling, which was offset by a decline in the mortgage legal book.

RBB

Retail Banking South Africa (▼2%)

NPLs reduced as a result of accelerated legal strategies and enhanced collection process, while the coverage ratio on performing loans changed due to the following:

- Home loans' impairments improved due to the lower inflows into defaults and continued focus on the underlying workout process.
- Offsetting this is an increase Card's impairment which is line with expectations and risk appetite.
- General coverage was increased by Vehicle and Asset Finance as well as on Personal and Term loans, as customers remain under strain, which is evidenced by high inflows from debt counselling.

Business Banking South Africa (▲4%)

The credit losses ratio remained unchanged at 87 bps due to a R115m increase in the macroeconomic provision as well as increased default experience in the commercial segment, offset by little default within CPF. The additional macroeconomic provision also resulted in the increase of the coverage ratio of performing loans from 105 bps to 107 bps. The write-off of legal cases and a slowdown of CPF defaults also resulted in a reduction of the NPLs' coverage ratio from 35,85% to 34,85%.

RBB Rest of Africa (▲21%)

Credit impairment increased by 21% to R777m resulting in a credit loss ratio of **2,07%** (2014: 1,95%). The increase was due to new defaults in the Business Banking portfolio, emergence period adjustments from three to six months and performance deterioration in the Retail portfolio.

CIB (▲>100%)

Credit impairments increased more than 100% to **R793m** (2014: R248m) resulting in a credit loss ratio of **0,44%** (2014: 0,16%).

Credit impairments in CIB South Africa increased more than 100% to **R356m** (2014: R165m) resulting in a credit loss ratio of **0,24%** (2014: 0,13%):

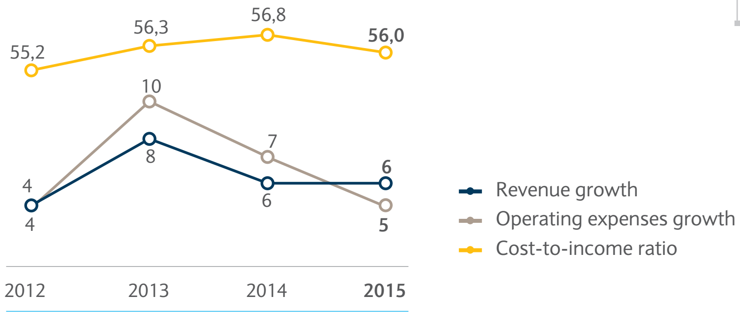
- The performing loans' coverage ratio increased from 0,20% to **0,32%** as a result of increased risk on exposures mainly in the retail and commodity sectors.
- Additional impairment provisions on existing NPLs resulted in an increase of the coverage ratio to **66%** (2014: 48%).

Credit impairments in CIB Rest of Africa increased more than 100% to **R437m** (2014: R83m) resulting in a credit loss ratio of **1,29%** (2014: 0,29%):

- The performing loans' coverage ratio increased to **0,51%** (2014: 0,38%) mainly as a result of more prudent assumptions being applied in the impairment models.
- The NPLs' coverage ratios increased to **30%** (2014: 18%) due to additional NPLs with lower expected recovery rates.

5. Operating expenses

Jaws and cost-to-income ratio (%)



Breakdown of operating expenses	2015 Rm	2014 Rm	Change %
Administration fees	**788**	801	(2)
Amortisation of intangible assets	**475**	503	(6)
Auditors' remuneration	**277**	268	3
Cash transportation	**884**	827	7
Depreciation	**1 548**	1 594	(3)
Equipment costs	**441**	378	17
Information technology	**2 274**	2 156	5
Investment properties charges – change in fair value	**82**	31	>100
Marketing costs	**1 740**	1 616	8
Operating lease expenses on properties	**1 657**	1 369	21
Other[1]	**1 650**	2 014	(18)
Printing and stationery	**390**	394	(1)
Professional fees	**1 902**	1 609	18
Property costs	**1 563**	1 916	(18)
Staff costs	**20 902**	19 334	8
Bonuses	**1 875**	1 693	11
Deferred cash and share-based payments	**662**	717	(8)
Other[2]	**1 061**	945	12
Salaries and current service costs on post-retirement benefits	**16 984**	15 665	8
Training costs	**320**	314	2
Telephone and postage	**1 088**	1 038	5
	37 661	35 848	5

Breakdown of IT-related spend included in operating expenses	2015 Rm	2014 Rm	Change %
Amortisation of intangible assets and depreciation of equipment	**1 129**	1 298	(13)
Information technology	**2 274**	2 168	5
Staff costs	**1 868**	1 488	26
Other	**1 404**	1 304	8
	6 675	6 258	7

Notes

[1] Includes fraud losses, travel and entertainment costs as well as administration fees allocated to the Edcon portfolio.

[2] Includes recruitment costs, membership fees to professional bodies, staff parking, redundancy fees, study assistance, staff relocation and refreshment costs.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

5. Operating expenses *(continued)*

The Group maintained its focus on actively managing the cost base, resulting in operating expenses growing below inflation. Major drivers of cost are constantly evaluated for increased optimisation, with the resulting focus on property, IT and headcount. Staff costs have continued to outpace inflation, which reflects the underlying strategy of increasing skills levels and specialised services across the Group. As per the terms of the purchase agreement, some operating expenses of the African entities acquired during 2013 are still being funded by Barclays Bank PLC.

Operating expenses increased 5% to **R37 661m** (2014: R35 848m), improving the Group's cost-to-income ratio to 56,0% from 56,8%. Staff costs increased 8%, while non-staff-related cost growth was kept well below inflation at 1%. Operating expenses include **R299m** (2014: R526m) of investment into rightsizing the branch network and integrating IT across Africa:

- Professional fees grew by 18%, with continued investment in strategic projects and IT infrastructure.
- Equipment costs increased 17% primarily due to continued investment into rest of Africa.
- Staff costs grew by 8% to **R20 902m** (2014: R19 334m), due to higher wage increases for entry-level employees together with increases in headcount in specialist areas such as IT. The total bonus and share-based payment expense as a percentage of salaries has remained consistent year on year at **15,9%** (2014: 16,3%). Other staff costs increased 12% to **R1 061m** (2014: R945m) driven by increased staff mobility costs across the Group as we develop our talent across Africa.
- Marketing costs increased 8% in line with revenue growth.
- Cash transportation costs grew 7%, driven by volume increases and a reclassification of costs following the transfer of the cash centres to SBV in August 2015.
- Amortisation of intangible assets declined 6% due to the impairments recognised in the prior reporting period, while administration fees decreased 2% following the effect of once-off costs incurred in 2014.
- Other operating costs decreased by 18% to **R1 650m** (2014: R2 013m) as a result of lower frauds losses, a decrease in sundry expenses and larger recoveries for services provided to other Barclays Bank PLC entities.
- Continued optimisation of corporate and branch property costs resulted in property costs and operating lease expenses reducing 2% to **R3 220m** (2014: R3 285m) in spite of above-inflation increases in rates and utility costs.
- Depreciation fell 2% aided by reductions in property-related depreciation and legacy computer equipment being impaired.
- Efficiency gains limited IT cost growth to 5%, in spite of the currency depreciation which impacted on imported goods and services.

6. Indirect taxation

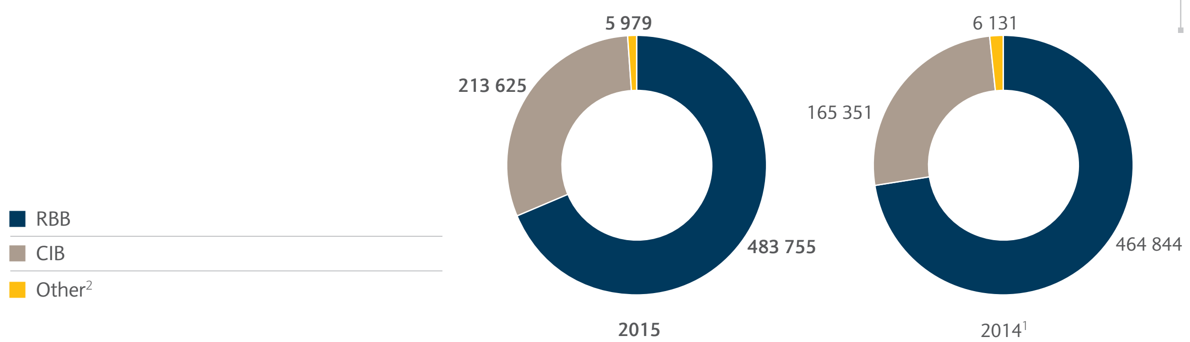
	2015 Rm	2014 Rm	Change %
Training levy	180	130	38
Value-added tax net of input credits	1 179	853	38
	1 359	983	38

7. Taxation expense

	2015 Rm	2014 Rm	Change %
Reconciliation between operating profit before income tax and the taxation expense			
Operating profit before income tax	21 303	19 717	8
Share of post-tax results of associates and joint ventures	(129)	(142)	(9)
	21 174	19 575	8
Tax calculated at a tax rate of 28%	5 929	5 481	8
Effect of different tax rates in other countries	62	130	(52)
Expenses not deductible for tax purposes	510	771	(34)
Income not subject to tax	(708)	(1 026)	(31)
Other	57	191	(70)
Non-taxable portion of capital gains	49	26	88
	5 899	5 573	6

8. Loans and advances to customers

Loans and advances to customers by segment (Rm)



	2015 %	2014[1] %
RBB	68,8	73,1
Retail Banking South Africa	53,3	57,8
Business Banking South Africa	9,0	9,6
RBB Rest of Africa	6,5	5,7
CIB	30,4	26,0
Other[2]	0,8	0,9
	100,0	100,0

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
[2] Includes the loans and advances to customers of WIMI and Head Office, Treasury and other operations.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended 31 December

8. Loans and advances to customers *(continued)*

Loans and advances to customers by segment	2015 Rm	2014[1] Rm	Change %
RBB			
Gross loans and advances to customers	**499 033**	480 138	4
Impairment losses on loans and advances	**(15 278)**	(15 294)	(0)
	483 755	464 844	4
Retail Banking South Africa			
Credit cards	**41 404**	40 622	2
Instalment credit agreements	**74 028**	71 849	3
Loans to associates and joint ventures	**16 176**	13 012	24
Mortgages	**231 656**	233 054	(1)
Other loans and advances	**367**	410	(10)
Overdrafts	**2 953**	2 369	25
Personal and term loans	**19 089**	17 563	9
Gross loans and advances to customers	**385 673**	378 879	2
Impairment losses on loans and advances	**(10 676)**	(10 912)	(2)
	374 997	367 967	2
Business Banking South Africa			
Mortgages (including CPF)	**31 636**	31 341	1
Overdrafts	**18 804**	18 725	0
Term loans	**14 918**	13 027	15
Gross loans and advances to customers	**65 358**	63 093	4
Impairment losses on loans and advances	**(1 813)**	(2 028)	(11)
	63 545	61 065	4
RBB Rest of Africa			
Gross loans and advances to customers	**48 002**	38 166	26
Impairment losses on loans and advances	**(2 789)**	(2 354)	18
	45 213	35 812	26
CIB			
Foreign currency loans	**22 970**	22 086	4
Mortgages	**8 915**	3 718	>100
Term loans	**105 022**	77 777	35
Overdrafts	**11 793**	10 257	15
Overnight finance	**14 152**	17 622	(20)
Preference shares	**16 137**	11 850	36
Reverse repurchase agreements	**20 310**	5 819	>100
Other loans and advances	**16 043**	16 976	(5)
Gross loans and advances to customers	**215 342**	166 105	30
Impairment losses on loans and advances	**(1 717)**	(754)	>100
	213 625	165 351	29

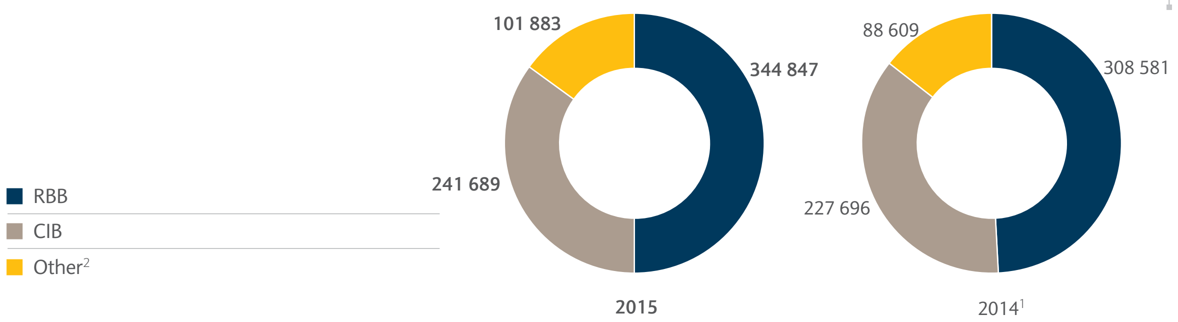
Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

8. Loans and advances to customers *(continued)*

Loans and advances to customers by segment *(continued)*	**2015 Rm**	2014[1] Rm	Change %
WIMI			
CPF	**865**	947	(9)
Overdrafts	**2 890**	2 701	7
Other loans and advances	**1 660**	1 668	0
Gross loans and advances to customers	**5 415**	5 316	2
Impairment losses on loans and advances	**(65)**	(82)	(21)
	5 350	5 234	2
Head Office, Treasury and other operations			
Gross loans and advances to customers	**669**	897	(25)
Impairment losses on loans and advances	**(40)**	—	<(100)
	629	897	(30)
Total loans and advances to customers			
Gross loans and advances to customers	**720 459**	652 456	10
Impairment losses on loans and advances	**(17 100)**	(16 130)	6
Net loans and advances to customers	**703 359**	636 326	11

9. Deposits due to customers

Deposits due to customers by segment (Rm)



Total funding mix	**2015 %**	2014[1] %
Deposits due to customers	**78,2**	79,7
RBB	**39,2**	39,4
Retail Banking South Africa	**18,9**	19,2
Business Banking South Africa	**12,5**	12,9
RBB Rest of Africa	**7,8**	7,3
CIB	**27,4**	29,0
Other[2]	**11,6**	11,3
Deposits from banks	**7,2**	6,8
Debt securities in issue	**14,6**	13,5
	100,0	100,0

Notes
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
[2] Includes the deposits due to customers of WIMI and Head Office, Treasury and other operations.

Performance indicators and condensed notes to the consolidated financial statements

for the reporting period ended 31 December

9. Deposits due to customers *(continued)*

Deposits due to customers by segment	2015 Rm	2014[1] Rm	Change %
RBB	**344 847**	308 581	12
Retail Banking South Africa	**166 015**	150 427	10
Call deposits	**286**	297	(4)
Cheque account deposits	**24 030**	22 435	7
Credit card deposits	**2 002**	1 932	4
Fixed deposits	**36 835**	32 357	14
Investment products	**58 103**	49 736	17
Notice deposits	**10 941**	10 152	8
Other deposits	**599**	492	22
Savings and transmission deposits	**33 219**	33 026	1
Business Banking South Africa	**110 096**	100 948	9
Call deposits	**11 151**	9 707	15
Cheque account deposits	**47 629**	46 692	2
Fixed deposits	**22 255**	19 939	12
Notice deposits	**1 356**	1 277	6
Savings and transmission deposits	**27 705**	23 333	19
RBB Rest of Africa	**68 736**	57 206	20
CIB	**241 689**	227 696	6
Call deposits	**28 613**	24 705	16
Cheque account deposits	**99 744**	90 750	10
Fixed deposits	**72 285**	78 994	(8)
Foreign currency deposits	**18 293**	18 897	(3)
Investment products	**1 499**	822	82
Notice deposits	**1 314**	259	>100
Other deposits	**12 490**	8 508	47
Repurchase agreements with non-banks	**4 620**	2 165	>100
Savings and transmission deposits	**2 831**	2 596	9
WIMI	**5 160**	5 276	(2)
Call deposits	**322**	274	18
Cheque account deposits	**2 300**	2 306	0
Fixed deposits	**465**	826	(44)
Foreign currency deposits	**180**	114	58
Notice deposits	**20**	20	—
Savings and transmission deposits	**1 873**	1 736	8
Head Office, Treasury and other operations	**96 723**	83 333	16
Total deposits due to customers	**688 419**	624 886	10

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

10. Debt securities in issue

Debt securities in issue	2015 Rm	2014 Rm	Change %
Commercial paper	**2 096**	—	100
Credit-linked notes	**11 597**	8 823	31
Floating rate notes	**54 801**	41 524	32
Liabilities arising from securitised structured entities	—	496	(100)
Negotiable certificates of deposit	**32 767**	29 504	11
Other	**549**	217	>100
Promissory notes	**1 232**	949	30
Structured notes and bonds	**725**	1 187	(39)
Senior notes	**24 916**	23 398	6
	128 683	106 098	21
Segment split[1]			
RBB	**2 054**	3 071	(33)
Retail Banking South Africa	**1 561**	2 191	(29)
RBB Rest of Africa	**493**	880	(44)
CIB	**16 401**	11 545	42
Head Office, Treasury and other operations	**110 228**	91 482	20
	128 683	106 098	21

11. Equity and borrowed funds

	2015 Rm	2014 Rm	Change %
Authorised			
880 567 500 (2014: 880 467 500) ordinary shares of R2,00 each	**1 761**	1 761	—
Issued			
847 750 679 (2014: 847 750 679) ordinary shares of R2,00 each	**1 696**	1 696	—
2 025 369 (2014: 880 000) treasury shares held by Group entities	**(3)**	(2)	50
	1 691	1 694	(0)
Total issued capital			
Share capital	**1 691**	1 694	0
Share premium[2]	**4 250**	4 548	(7)
	5 941	6 242	(5)

Number of ordinary shares in issue (after deduction of treasury shares) at the reporting date	2015 Number of shares (million)	2014 Number of shares (million)	Change %
Ordinary shares in issue of R2,00 each	**847,8**	847,8	—
Treasury shares held by Group entities	**(2,1)**	(0,9)	<(100)
	845,7	846,9	(0)

Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
[2] Refer to Statement of changes in equity, footnote 1 for details on movement.

Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended 31 December

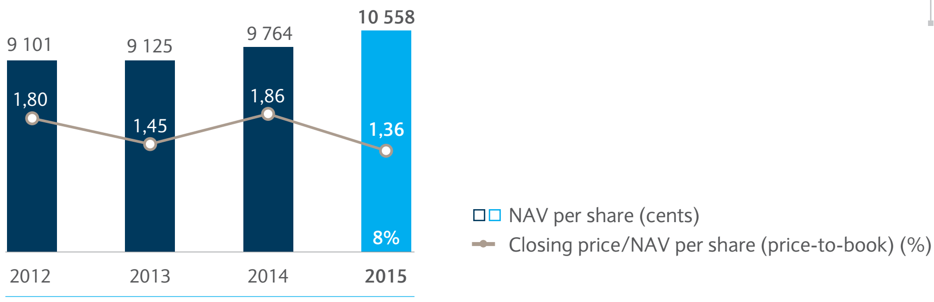
11. Equity and borrowed funds *(continued)*

Borrowed funds		2015 Rm	2014 Rm	Change %
Subordinated callable notes issued by Absa Bank Limited				
The following subordinated debt instruments qualify as secondary capital in terms of the Banks Act.				
Interest rate	Final maturity date			
8,10%	27 March 2020	—	2 000	(100)
8,295%	21 November 2023	1 188	1 188	—
10,28%	3 May 2022	600	600	—
10,835%	19 November 2024	130	130	—
Three-month Johannesburg Interbank Agreed Rate ("JIBAR")[1] +2,10%	3 May 2022	400	400	—
Three-month JIBAR[1] + 1,95%	21 November 2022	1 805	1 805	—
Three-month JIBAR[1] + 2,05%	21 November 2023	2 007	2 007	—
Consumer Price Index ("CPI") linked notes, fixed at the following coupon rates: 5,50%	7 December 2028	1 500	1 500	—
Subordinated callable notes issued by Barclays Africa Group Limited				
10,05%	5 February 2025	807	—	100
11,365%	4 September 2025	508	—	100
11,400%	29 September 2025	288	—	100
11,810%	3 September 2027	737	—	100
Three-month Johannesburg Interbank Agreed Rate				
Three-month JIBAR[1] + 3,30%	19 November 2024	370	370	—
Three-month JIBAR[1] + 3,50%	5 February 2025	1 693	—	100
Three-month JIBAR[1] + 3,50%	4 September 2025	437	—	100
Three-month JIBAR[1] + 3,60%	3 September 2027	30	—	100
Subordinated callable notes issued by other subsidiaries				
Barclays Bank of Botswana 11% fixed rate note	9 May 2015	—	109	(100)
Ninety-one day Zambian Government Treasury Bill rate + 2,00% (non-qualifying)	9 May 2015	—	91	(100)
One-hundred and eighty-two day Kenyan Government Treasury Bill rate + 1,00%	13 July 2015	—	94	(100)
Barclays Bank of Kenya 11,50% fixed rate note	13 July 2015	—	161	(100)
One hundred and eighty-two day Zambian Government Treasury Bill rate + 2,50% (capped at 13,00%)	18 May 2016	71	91	(22)
United States dollar three-month London Interbank Offered Rate ("LIBOR") + 1,00% (non-qualifying)	31 March 2018	102	76	34
National Bank of Commerce 16,44% fixed rate note	24 January 2024	36	31	16
Accrued interest		684	592	16
Fair value adjustments on total subordinated debt instruments		(242)	(37)	>100
		13 151	11 208	17

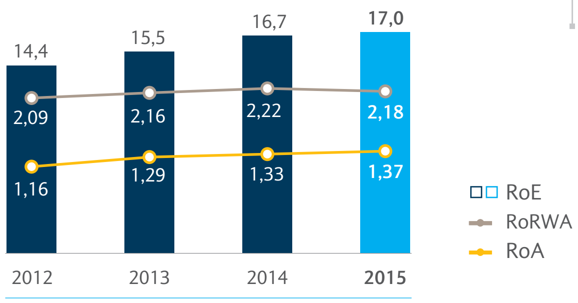
Note
[1] Johannesburg Interbank Agreed Rate.

11. Equity and borrowed funds *(continued)*

NAV per share and closing price/NAV per share (cents and %)



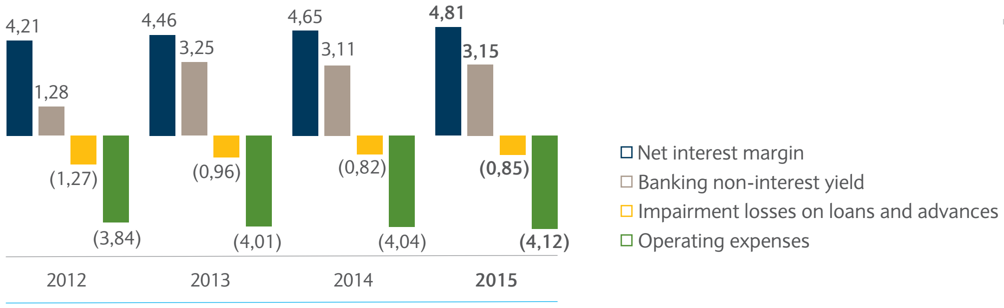
RoE, RoA and RoRWA (%)



Performance indicators and condensed notes to the consolidated financial statements
for the reporting period ended 31 December

12. RoE decomposition

Major drivers of RoE (%)



		2015 %	2014 %
	Net interest margin (average interest-bearing assets)	**4,81**	4,65
Less:	Impairment losses on loans and advances/average interest-bearing assets	**0,85**	0,82
Equals:	Net interest margin – after impairment losses (average interest-bearing assets)	**3,96**	3,83
Multiply:	Average interest-bearing assets/average banking assets	**87,44**	86,31
Equals:	Banking interest yield	**3,46**	3,30
Plus:	Banking non-interest yield	**3,15**	3,11
Equals:	Banking revenue yield	**6,61**	6,41
Less:	Operating expenses/average banking assets	**4,12**	4,04
Equals:	Net banking return	**2,49**	2,36
Less:	Other[1]	**0,91**	0,90
Equals:	Banking return	**1,58**	1,47
Multiply:	Average banking assets/total average assets	**87,23**	90,48
Equals:	RoA	**1,37**	1,33
Multiply:	Leverage	**12,40**	12,58
Equals:	RoE	**17,0**	16,7

RoE increased to 17,0% from 16,7% in 2014 and is the highest return since 2011. The improvement in RoE resulted from increased profitability with the RoA ratio expanding to **1,37%** (2014: 1,33%), which was partially offset by marginally lower gearing.

Note
[1] "Other" includes other impairments, indirect taxation, share of post-tax results of associates and joint ventures and taxation expense.

13. Off-statement of financial position items

	2015 Rm	2014 Rm	Change %
Financial guarantee contracts	**24**	96	(75)
Commitments			
Authorised capital expenditure			
Contracted but not provided for	**1 642**	1 675	(2)
Other commitments			
No later than one year	**991**	991	—
	2 633	2 666	(1)
Operating lease payments due			
Not later than one year	**758**	856	(11)
Later than one year and no later than five years	**1 742**	1 631	7
Later than five years	**956**	709	35
	3 456	3 196	8
Contingencies			
Guarantees[1]	**37 901**	34 011	12
Irrevocable debt facilities	**152 984**	125 334	22
Irrevocable equity facilities	**364**	366	(1)
Letters of credit	**7 466**	4 827	55
Other	**5 325**	3 774	41
	204 040	168 312	21

Performance

- **Commitments:** The Group has capital commitments in respect of computer equipment and property development. Management is confident that future net revenues and funding will be sufficient to cover these commitments.
- **Other commitments**: The South African Reserve Bank ("SARB") announced in August 2014 that African Bank Limited (a subsidiary of African Bank Investments Limited) would be placed under curatorship. A consortium of six South African banks (including Barclays Africa Group Limited) and the Public Investment Corporation have underwritten R5bn respectively. 50% of the amount underwritten by the banks is guaranteed by the SARB, of which Barclays Africa Group Limited committed R991m (pre the SARB guarantee). The value of the amount to be underwritten was determined with reference to the respective underwriter's proportion of total Tier 1 capital of the consortium as at 30 June 2014.
- **Contingencies:** The 22% increase in irrevocable debt facilities was mainly attributable to new clients in the investment banking division. The 55% increase in letters of credit was mainly attributable to an increase in trading volume and an increase in the value of trades with clients in the corporate banking division. In addition, the devaluation of the rand during the second half of the year also contributed to the increase in the letters of credit.

14. Legal proceedings

The Group is engaged in various litigation proceedings involving claims by and against it, which arise in the ordinary course of business. The Group does not expect the ultimate resolution of any proceedings, to which the Group is party, to have a significant adverse effect on the financial results. The Group has not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or such disclosure could be prejudicial to the conduct of the claim. Provision is made for all liabilities which are expected to materialise.

15. Income taxes

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and worldwide provisions for income taxes necessarily involves a degree of estimation and judgement. There are many transactions and calculations for which the ultimate tax treatment is uncertain or in respect of which the relevant tax authorities may have indicated disagreement with the Group's treatment and accordingly the final tax charge cannot be determined until resolution has been reached with the relevant tax authority. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due after taking into account expert external advice where appropriate.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made. These risks are managed in accordance with the Group's Tax Risk Framework.

Note
[1] "Guarantees" include performance and payment guarantee contracts.

Segment performance

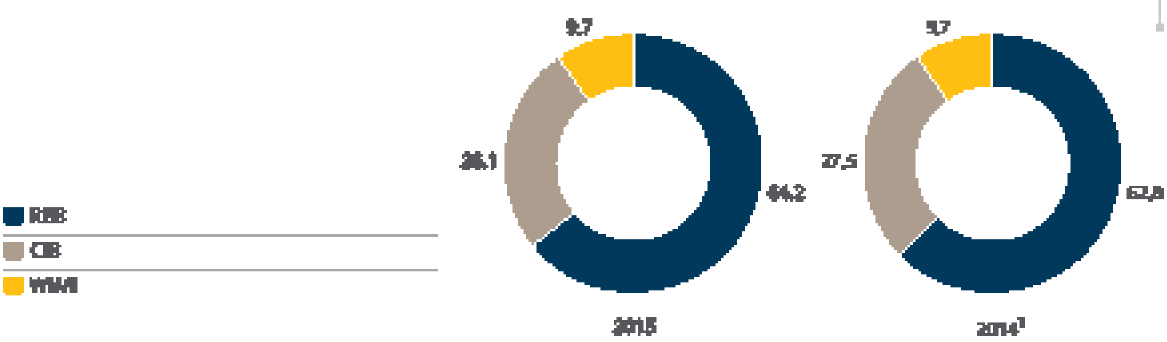
Contents

Segment performance overview
for the reporting period ended 31 December

Pre-provision profits increased 8% to R29 537m, driven by a 10% increase from RBB to R21 040m and a 10% increase from WIMI to R2 234m. RBB's headline earnings increased 14% to R9 698m, while WIMI and CIB's headline earnings increased by 11% and 6% to R1 464m and R3 940m respectively.

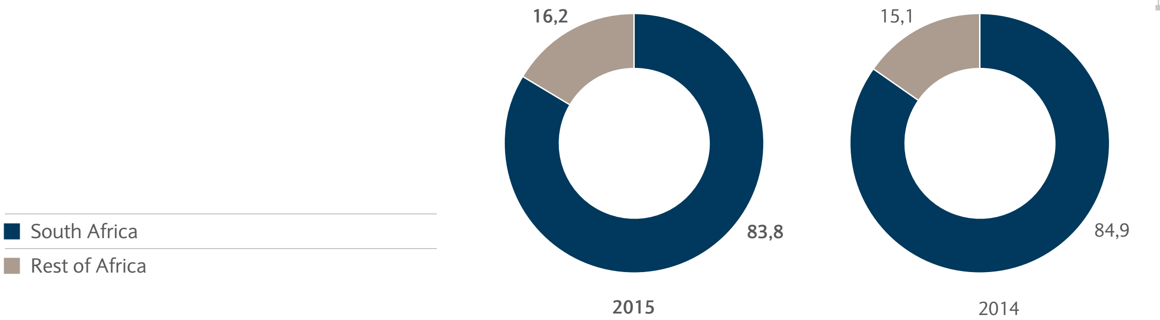
Overview per market segment

Headline earnings per market segment, excluding Head Office, Treasury and other operations (%)



	2015 Rm	2014[1] Rm	Change %
Headline earnings			
RBB	**9 698**	8 525	14
CIB	**3 940**	3 734	6
WIMI	**1 464**	1 324	11
Head Office, Treasury and other operations	**(815)**	(551)	48
	14 287	13 032	10

Headline earnings – geographical segments (%)



	2015 Rm	2014 Rm	Change %
Headline earnings			
South Africa	**11 979**	11 067	8
Rest of Africa	**2 308**	1 965	17
	14 287	13 032	10

Note

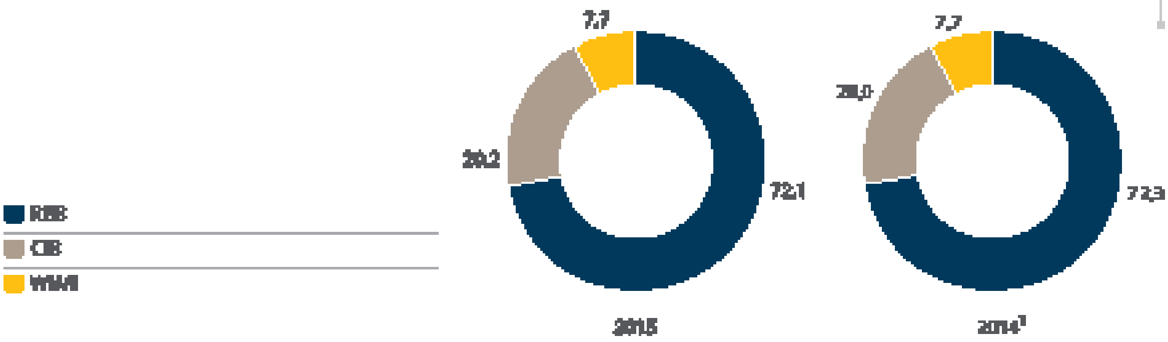
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Segment performance overview

for the reporting period ended 31 December

Overview per market segment *(continued)*

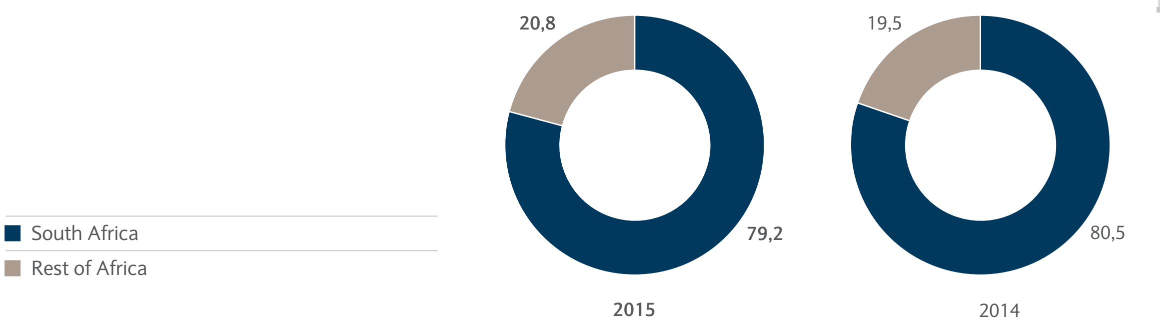
Revenue per market segment, excluding Head Office, Treasury and other operations (%)



	2015 Rm	2014 Rm	Change %
Revenue (Rm)[1]			
RBB	**49 208**	46 242	6
CIB	**13 764**	12 779	8
WIMI	**5 252**	4 931	7
Head Office, Treasury and other operations	**(1 026)**	(827)	24
	67 198	63 125	6

Overview per geographical segment

Revenue – geographical segments (%)



	2015 Rm	2014 Rm	Change %
Revenue			
South Africa	**53 197**	50 830	5
Rest of Africa	**14 001**	12 295	14
	67 198	63 125	6

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Segment performance overview
for the reporting period ended 31 December

Overview per geographical segment *(continued)*

	2015	2014[1]	Change %
Operational key performance indicators			
Delivery footprint (number)	**11 629**	11 910	(2)
South Africa	**10 000**	10 256	(2)
Outlets	**784**	789	(1)
ATMs	**9 216**	9 467	(3)
Rest of Africa	**1 629**	1 654	(2)
Outlets	**467**	478	(2)
ATMs	**1 162**	1 176	(1)
Number of customers ('000)	**12 309**	11 791	4
RBB[2]	**12 284**	11 765	4
CIB	**11**	12	(8)
WIMI[3]	**14**	14	—
Number of customers ('000)	**12 309**	11 791	4
South Africa[2]	**9 424**	8 995	5
Rest of Africa	**2 885**	2 796	3
Number of employees	**41 018**	41 644	(2)
South Africa[4]	**30 488**	31 160	(2)
Rest of Africa	**10 530**	10 484	0

Notes

1 These numbers have been restated, refer to the reporting changes overview on the inside cover page.
2 Excludes Edcon and WFS portfolio customers.
3 Relates to Wealth customers.
4 Permanent employees including WFS employees.

Segment performance overview
for the reporting period ended 31 December

Segment reporting structure

The Group has identified the following reportable operating segments based on a combination of products and services offered to customers and clients, external revenue generation and the location of the markets served.

The main reportable segments are mainly driven by products and services offered to customers and clients and are disclosed as the following market segments:

- Retail and Business Banking;
- Corporate and Investment Bank;
- Wealth, Investment Management and Insurance; and
- Head Office, Treasury and other operations.

The Group has also identified the following geographical segments, which are driven by the location of the markets being served:

- South Africa[1]
- Rest of Africa

Barclays Africa Group Limited

	RBB[2]	CIB[2]	WIMI[2]	Head Office, Treasury and other operations[2,5,6]
South Africa	**Retail Banking** • Home Loans • Vehicle and Asset Finance • Card • Personal Loans • Transactional and Deposits • Other **Business Banking** • Debt Products • Deposit Products • Transactional Products • Equities	• Corporate • Investment Bank ▪ Markets ▪ Banking[3] ▪ Private Equity and Infrastructure Investments	• Continuing Business Lines ▪ Life Insurance ▪ Wealth and Investment Management[4] ▪ Short-term Insurance ▪ Fiduciary Services ▪ Distribution ▪ Other • Terminating Business Lines	• Enterprise Functions • Group Treasury • Consolidation Centre
Rest of Africa	RBB	CIB • Corporate • Investment Bank	WIMI • Life Insurance • Short-term Insurance	Head Office, Treasury and other operations

Notes

[1] Includes Absa Bank London operations, which are managed by CIB. The results of the operations have been allocated to the relevant segments.
[2] Refer to inside front cover page for reporting changes.
[3] Previously referred to as "Investment Banking".
[4] Includes the Wealth banking portfolio.
[5] Includes Absa Manx Insurance Company.
[6] Previously referred to as "Head Office and other Operations".

This page has been left blank intentionally

Segment report per market segment
for the reporting period ended 31 December

	RBB			CIB		
	2015	2014[1]	Change %	2015	2014[1]	Change %
Statement of comprehensive income (Rm)						
Net interest income	**30 970**	29 219	6	**7 838**	6 277	25
Non-interest income	**18 238**	17 023	7	**5 926**	6 502	(9)
Total income	**49 208**	46 242	6	**13 764**	12 779	8
Impairment losses on loans and advances	**(6 094)**	(6 017)	1	**(793)**	(248)	>100
Operating expenses	**(28 168)**	(27 188)	4	**(7 436)**	(6 810)	9
Other	**(294)**	(170)	73	**(148)**	(110)	35
Operating profit before income tax	**14 652**	12 867	14	**5 387**	5 611	(4)
Tax expense	**(4 214)**	(3 644)	16	**(1 145)**	(1 523)	(25)
Profit for the reporting period	**10 438**	9 223	13	**4 242**	4 088	4
Profit attributable to:						
Ordinary equity holders	**9 677**	8 547	13	**3 940**	3 817	3
Non-controlling interest – ordinary shares	**553**	476	16	**195**	171	14
Non-controlling interest – preference shares	**208**	200	4	**107**	100	7
	10 438	9 223	13	**4 242**	4 088	4
Headline earnings	**9 698**	8 525	14	**3 940**	3 734	6
Operating performance (%)						
Net interest margin on average interest-bearing assets	**4.39**	4,40		**2,32**	1,92	
Credit loss ratio	**1,29**	1,32		**0,44**	0,16	
Non-interest income as percentage of revenue	**37,1**	36,8		**43,1**	50,9	
Revenue growth	**6**	5		**8**	12	
Cost growth	**4**	7		**9**	6	
Cost-to-income ratio	**57,2**	58,8		**54,0**	53,3	
Statement of financial position (Rm)						
Loans and advances to customers	**483 755**	464 844	4	**213 625**	165 351	29
Investment securities	**61 592**	54 111	14	**20 126**	15 904	27
Other assets	**292 454**	255 591	14	**343 550**	296 274	16
Total assets	**837 801**	774 546	8	**577 301**	477 529	21
Deposits due to customers	**344 847**	308 581	12	**241 689**	227 696	6
Debt securities in issue	**2 054**	3 071	(33)	**16 401**	11 545	42
Other liabilities	**463 662**	441 283	5	**307 972**	227 248	36
Total liabilities	**810 563**	752 935	8	**566 062**	466 489	21
Financial performance (%)						
RoRWA	**2,39**	2,26		**1,90**	2,16	
RoA	**1,24**	1,15		**0,79**	0,81	
RoRC[2]	**21,7**	20,1		**17,1**	19,5	

Notes

[1] These numbes have been restated, refer to the reporting changes overview on the inside cover page.

[2] As WIMI consists primarily of a set of legal entities with a smaller contribution from the Wealth division of Absa Bank Limited, the denominator in the RoRC for WIMI is calculated as the sum of average legal entities' equity plus the RC contribution for the Wealth division.

WIMI 2015	WIMI 2014[1]	WIMI Change %	Head Office, Treasury and other operations 2015	Head Office, Treasury and other operations 2014[1]	Head Office, Treasury and other operations Change %	Group 2015	Group 2014[1]	Group Change %
290	303	(4)	**(691)**	(198)	>100	**38 407**	35 601	8
4 962	4 628	7	**(335)**	(629)	(47)	**28 791**	27 524	5
5 252	4 931	7	**(1 026)**	(827)	24	**67 198**	63 125	6
5	(25)	<(100)	**(38)**	—	>100	**(6 920)**	(6 290)	10
(3 018)	(2 899)	4	**961**	1 049	(8)	**(37 661)**	(35 848)	5
(204)	(143)	>100	**(668)**	(847)	(21)	**(1 314)**	(1 270)	3
2 035	1 864	9	**(771)**	(625)	23	**21 303**	19 717	8
(608)	(549)	11	**67**	143	(53)	**(5 899)**	(5 573)	6
1 427	1 315	9	**(704)**	(482)	46	**15 404**	14 144	9
1 417	1 311	8	**(704)**	(459)	53	**14 331**	13 216	8
4	(2)	>100	**—**	(22)	(100)	**752**	623	21
6	6	—	**—**	(1)	(100)	**321**	305	5
1 427	1 315	9	**(704)**	(482)	46	**15 404**	14 144	9
1 464	1 324	11	**(815)**	(551)	48	**14 287**	13 032	10
n/a	n/a		**n/a**	n/a		**4,81**	4,65	
(0,10)	0,46		**n/a**	n/a		**1,05**	1,02	
94,5	93,9		**n/a**	n/a		**42,8**	43,6	
7	3		**n/a**	n/a		**6**	6	
4	8		**n/a**	n/a		**5**	7	
57,5	58,8		**n/a**	n/a		**56,0**	56,8	
5 350	5 234	2	**629**	897	(30)	**703 359**	636 326	11
4 642	4 981	(7)	**14 605**	22 122	(34)	**100 965**	97 118	4
33 928	36 550	(7)	**(329 652)**	(330 445)	0	**340 280**	257 970	32
43 920	46 765	(6)	**(314 418)**	(307 426)	2	**1 144 604**	991 414	15
5 160	5 276	(2)	**96 723**	83 333	16	**688 419**	624 886	10
—	—	—	**110 228**	91 482	20	**128 683**	106 098	21
33 236	36 422	(9)	**(576 015)**	(535 468)	8	**228 855**	169 485	35
38 396	41 698	(8)	**(369 064)**	(360 653)	2	**1 045 957**	900 469	16
n/a	n/a		**n/a**	n/a		**2,18**	2,22	
3,37	2,84		**n/a**	n/a		**1,37**	1,33	
24,9	23,2		**n/a**	n/a		**n/a**	n/a	

Segment report per geographical segment

for the reporting period ended 31 December

	South Africa		
	2015	2014	Change %
Statement of comprehensive income (Rm)			
Net interest income	**29 339**	27 481	7
Non-interest income	**23 858**	23 349	2
Total income	**53 197**	50 830	5
Impairment losses on loans and advances	**(5 706)**	(5 565)	3
Operating expenses	**(29 163)**	(28 045)	4
Other	**(1 167)**	(1 198)	(3)
Operating income before income tax	**17 161**	16 022	7
Tax expenses	**(4 589)**	(4 251)	8
Profit for the reporting period	**12 572**	11 771	7
Profit attributable to:			
Ordinary equity holders	**12 023**	11 252	7
Non-controlling interest – ordinary shares	**228**	214	7
Non-controlling interest – preference shares	**321**	305	5
	12 572	11 771	7
Headline earnings	**11 979**	11 067	8
Operating performance (%)			
Net interest margin on average interest-bearing assets	**4,26**	4,13	
Credit loss ratio	**0,97**	1,00	
Non-interest income as percentage of revenue	**44,8**	45,9	
Revenue growth	**5**	6	
Cost growth	**4**	6	
Cost-to-income ratio	**54,8**	55,2	
Statement of financial position (Rm)			
Loans and advances to customers	**614 615**	567 223	8
Investment securities	**77 675**	76 733	1
Other assets	**264 993**	203 945	30
Total assets	**957 283**	847 901	13
Deposits due to customers	**556 072**	519 935	7
Debt securities in issue	**128 190**	105 218	22
Other liabilities	**198 291**	151 219	31
Total liabilities	**882 553**	776 372	14
Financial performance (%)			
RoRWA	**2,36**	2,40	
RoA	**1,34**	1,31	

Rest of Africa 2015	Rest of Africa 2014	Rest of Africa Change %	Group 2015	Group 2014	Group Change %
9 068	8 120	12	**38 407**	35 601	8
4 933	4 175	18	**28 791**	27 524	5
14 001	12 295	14	**67 198**	63 125	6
(1 214)	(725)	67	**(6 920)**	(6 290)	10
(8 498)	(7 803)	9	**(37 661)**	(35 848)	5
(147)	(72)	>100	**(1 314)**	(1 270)	4
4 142	3 695	12	**21 303**	19 717	8
(1 310)	(1 322)	(1)	**(5 899)**	(5 573)	6
2 832	2 373	19	**15 404**	14 144	9
2 308	1 964	18	**14 331**	13 216	8
524	409	28	**752**	623	21
—	—	—	**321**	305	5
2 832	2 373	19	**15 404**	14 144	9
2 308	1 965	17	**14 287**	13 032	10
8,23	8,13		**4,81**	4,65	
1,70	1,17		**1,05**	1,02	
35,2	34,0		**42,8**	43,6	
14	9		**6**	6	
9	10		**5**	7	
60,7	63,5		**56,0**	56,8	
88 744	69 103	28	**703 359**	636 326	11
23 290	20 385	14	**100 965**	97 118	4
75 287	54 025	39	**340 280**	257 970	32
187 321	143 513	31	**1 144 604**	991 414	15
132 347	104 951	26	**688 419**	624 886	10
493	880	(44)	**128 683**	106 098	21
30 564	18 266	67	**228 855**	169 485	35
163 404	124 097	32	**1 045 957**	900 469	16
1,55	1,54		**2,18**	2,22	
1,53	1,42		**1,37**	1,33	

Segment report per market and geographical segment

for the reporting period ended 31 December

South Africa per market segment[2]	RBB 2015 Rm	RBB 2014[1] Rm	RBB Change %
Statement of comprehensive income			
Net interest income	**24 721**	23 483	5
Non-interest income	**15 618**	14 866	5
Total income	**40 339**	38 349	5
Impairment losses on loans and advances	**(5 317)**	(5 376)	(1)
Operating expenses	**(22 023)**	(21 422)	3
Other	**(184)**	(120)	53
Operating income before income tax	**12 815**	11 431	12
Taxation expense	**(3 597)**	(3 188)	13
Profit for the reporting period	**9 218**	8 243	12
Profit attributable to:			
Ordinary equity holders	**8 782**	7 829	12
Non-controlling interest – ordinary shares	**228**	214	7
Non-controlling interest – preference shares	**208**	200	4
	9 218	8 243	12
Headline earnings	**8 803**	7 802	13
Statement of financial position			
Loans and advances to customers	**438 542**	429 032	2
Investment securities	**42 507**	38 155	11
Other assets	**238 425**	212 590	12
Total assets	**719 474**	679 777	6
Deposits due to customers	**276 111**	251 375	10
Debt securities in issue	**1 561**	2 191	(29)
Other liabilities	**429 842**	415 807	3
Total liabilities	**707 514**	669 373	6

Rest of Africa per market segment	RBB 2015 Rm	RBB 2014[1] Rm	RBB C%[3]	RBB FX%[4]	RBB Change %
Statement of comprehensive income					
Net interest income	**6 249**	5 736	8	1	9
Non-interest income	**2 620**	2 157	20	1	21
Total income	**8 869**	7 893	11	1	12
Impairment losses on loans and advances	**(777)**	(641)	20	1	21
Operating expenses	**(6 143)**	(5 766)	7	(0)	7
Other	**(112)**	(50)	>100	0	>100
Operating income before income tax	**1 837**	1 436	24	4	28
Taxation expense	**(617)**	(456)	35	0	35
Profit for the reporting period	**1 220**	980	18	6	24
Profit attributable to:					
Ordinary equity holders	**895**	718	18	6	24
Non-controlling interest – ordinary shares	**325**	262	17	7	24
Non-controlling interest – preference shares	**—**	—	—	—	—
	1 220	980	18	6	24
Headline earnings	**895**	723	17	7	24
Statement of financial position					
Loans and advances to customers	**45 213**	35 812	14	12	26
Investment securities	**19 084**	15 957	3	17	20
Other assets	**54 030**	43 000	8	18	26
Total assets	**118 327**	94 769	9	16	25
Deposits due to customers	**68 736**	57 206	6	14	20
Debt securities in issue	**493**	880	(51)	7	(44)
Other liabilities	**33 820**	25 476	13	20	33
Total liabilities	**103 049**	83 562	7	16	23

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] No constant currency change is disclosed for Absa Bank London since it is deemed immaterial.

[3] C% = Percentage change calculated based on constant currency. The applicable criteria on the basis of which the constant currency financial information has been prepared is set out on page 152.

[4] FX% = Foreign currency change impact.

CIB 2015 Rm	CIB 2014[1] Rm	CIB Change %	WIMI 2015 Rm	WIMI 2014[1] Rm	WIMI Change %
5 032	3 860	30	289	301	(4)
3 928	4 731	(17)	4 631	4 360	6
8 960	8 591	4	4 920	4 661	6
(356)	(165)	>100	5	(25)	<(100)
(5 304)	(4 875)	9	(2 793)	(2 725)	2
(123)	(101)	22	(195)	(130)	50
3 177	3 450	(8)	1 937	1 781	9
(595)	(751)	(21)	(563)	(515)	9
2 582	2 699	(4)	1 374	1 266	9
2 476	2 600	(5)	1 368	1 260	9
—	(1)	(100)	—	—	—
107	100	7	6	6	—
2 583	2 699	(4)	1 374	1 266	9
2 475	2 519	(2)	1 415	1 275	11
170 094	132 060	29	5 350	5 234	2
20 124	15 900	27	4 347	4 900	(11)
305 710	268 743	14	31 470	35 458	(11)
495 928	416 703	19	41 167	45 592	(10)
178 078	180 127	(1)	5 160	5 276	(2)
16 401	11 545	42	—	—	—
295 457	219 802	34	31 566	35 727	(12)
489 936	411 474	19	36 726	41 003	(10)

CIB 2015 Rm	CIB 2014[1] Rm	CIB C%[3]	CIB FX%[4]	CIB Change %	WIMI 2015 Rm	WIMI 2014 Rm	WIMI C%[3]	WIMI FX%[4]	WIMI Change %
2 806	2 417	14	2	16	1	2	(50)	—	(50)
1 998	1 771	13	0	13	331	268	13	11	24
4 804	4 188	13	2	15	332	270	12	11	23
(437)	(83)	>100	18	>100	—	—	—	—	—
(2 132)	(1 935)	11	(1)	10	(225)	(174)	9	20	29
(25)	(9)	>100	—	>100	(9)	(13)	(31)	—	(31)
2 210	2 161	(1)	3	2	98	83	27	(9)	18
(550)	(772)	(29)	—	(29)	(45)	(34)	22	11	33
1 660	1 389	14	6	20	53	49	32	(24)	8
1 465	1 217	14	6	20	49	51	11	(15)	(4)
195	172	16	5	13	4	(2)	>(100)	—	>(100)
—	—	—	—	—	—	—	—	—	—
1 660	1 389	14	6	20	53	49	32	(24)	8
1 465	1 216	14	6	20	49	49	17	(17)	0
43 531	33 291	11	20	31	—	—	—	—	—
2	4	(50)	—	(50)	295	81	>100	96	>100
37 840	27 531	15	22	37	2 458	1 092	85	40	>100
81 373	60 826	13	21	34	2 753	1 173	91	44	>100
63 611	47 569	13	21	34	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
12 515	7 446	43	25	68	1 670	695	92	48	>100
76 126	55 015	17	21	38	1 670	695	92	48	>100

	Head Office, Treasury and other operations			Total South Africa		
	2015 Rm	2014[1] Rm	Change %	**2015 Rm**	2014 Rm	Change %
	(703)	(163)	>100	**29 339**	27 481	7
	(319)	(608)	(48)	**23 858**	23 349	2
	(1 022)	(771)	33	**53 197**	50 830	5
	(38)	1	<(100)	**(5 706)**	(5 565)	3
	957	977	(2)	**(29 163)**	(28 045)	4
	(665)	(847)	(21)	**(1 167)**	(1 198)	(3)
	(768)	(640)	20	**17 161**	16 022	7
	166	203	(18)	**(4 589)**	(4 251)	8
	(602)	(437)	38	**12 572**	11 771	7
	(602)	(437)	38	**12 023**	11 252	7
	—	1	(100)	**228**	214	7
	—	(1)	(100)	**321**	305	5
	(602)	(437)	38	**12 572**	11 771	7
	(715)	(529)	35	**11 979**	11 067	8
	629	897	(30)	**614 615**	567 223	8
	10 697	17 778	(40)	**77 675**	76 733	1
	(310 612)	(312 846)	(1)	**264 993**	203 945	30
	(299 286)	(294 171)	2	**957 283**	847 901	13
	96 723	83 157	16	**556 072**	519 935	7
	110 228	91 482	20	**128 190**	105 218	22
	(558 574)	(520 117)	7	**198 291**	151 219	32
	(351 623)	(345 478)	2	**882 553**	776 372	14

	Head Office, Treasury and other operations					Total Rest of Africa				
	2015 Rm	2014[1] Rm	C%[3]	FX%[4]	Change %	**2015 Rm**	2014 Rm	C%[3]	FX%[4]	Change %
	12	(35)	<(100)	2	>100	**9 068**	8 120	11	1	12
	(16)	(21)	(30)	6	(24)	**4 933**	4 175	17	1	18
	(4)	(56)	(93)	0	(93)	**14 001**	12 295	13	1	14
	—	(1)	—	—	(100)	**(1 214)**	(725)	65	2	67
	1	72	(94)	0	(94)	**(8 498)**	(7 803)	9	0	9
	—	—	—	—	—	**(147)**	(72)	>100	0	>100
	(3)	15	<(100)	1	<(100)	**4 142**	3 695	9	3	12
	(98)	(60)	66	(3)	63	**(1 310)**	(1 322)	(1)	0	(1)
	(101)	(45)	98	3	>100	**2 832**	2 373	14	5	19
	(101)	(22)	>100	(1)	>100	**2 308**	1 964	11	7	18
	—	(23)	(96)	0	(96)	**524**	409	22	6	28
	—	—	—	—	—	**—**	—	—	—	—
	(101)	(45)	98	3	>100	**2 832**	2 373	14	5	19
	(101)	(22)	>100	(1)	>100	**2 308**	1 965	12	5	17
	—	—	—	—	—	**88 744**	69 103	12	16	28
	3 908	4 343	(13)	3	(10)	**23 289**	20 385	0	14	14
	(19 040)	(17 598)	8	0	8	**75 288**	54 025	12	27	39
	(15 132)	(13 255)	15	(1)	14	**187 321**	143 513	11	20	31
	—	176	(100)	0	(100)	**132 347**	104 951	9	17	26
	—	—	—	—	—	**493**	880	(51)	7	(44)
	(17 441)	(15 351)	14	(0)	14	**30 564**	18 266	27	40	67
	(17 441)	(15 175)	15	0	15	**163 404**	124 097	11	21	32

RBB overview

for the reporting period ended 31 December

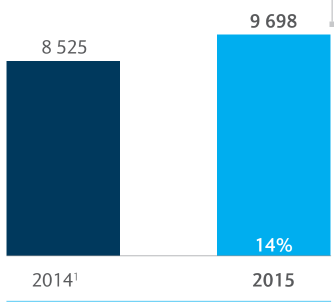
Highlights

- The turnaround strategy in the South African franchise and an increasing Pan-African focus remains on track with 14% growth in headline earnings to **R9 698m** (2014: R8 525m).
- Total revenue increased 6% to **R49 208m** (2014: R46 242m) supported by improved pricing on new loans and higher transactional volumes.
- Lower credit loss ratio of **1,29%** (2014: 1,32%) driven by strong collections performance and quality loan growth.
- Performing and NPLs' coverage ratios have remained broadly in line at **0,89%** (2014: 0,87%) and **44,15%** (2014: 44,24%) respectively.
- Customer numbers maintaining an upward trajectory across key segments.
- Net Promoter Score® ("NPS") which measures customer experience has improved across the portfolio.

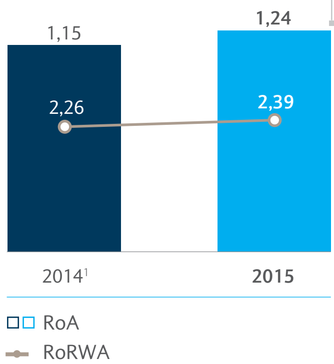
Challenges

- Loans and advances showing subdued growth of 4% due to declining books in Edcon, Home Loans and CPF.
- Deterioration in the credit loss ratio in the second half of the year reflecting emerging signs of stress.
- Loss of market share across elements of the portfolio, albeit the rate of loss is stabilising.
- Business Banking South Africa headline earnings momentum in the second half of the year has slowed down.

Headline earnings
(Rm and change %)



RoA and RoRWA (%)



Salient features	2015	2014[1]	Change %
Revenue (Rm)	**49 208**	46 242	6
Attributable earnings (Rm)	**9 677**	8 547	13
Headline earnings (Rm)	**9 698**	8 525	14
Credit loss ratio (%)	**1,29**	1,32	
Cost-to-income ratio (%)	**57,2**	58,8	
RoRWA (%)	**2,39**	2,26	
RoA (%)	**1,24**	1,15	
RoRC (%)	**21,7**	20,1	

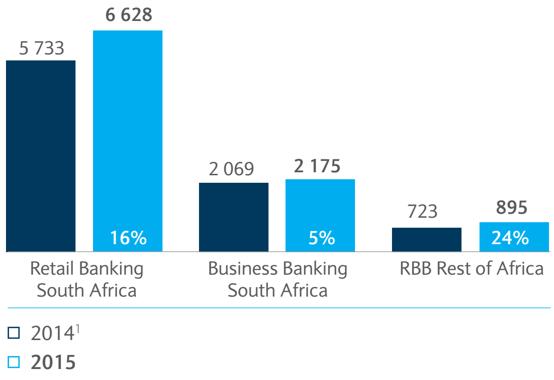
Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
® Net Promoter, Net Promoter Score and NPS are trademarks of Satmetrixs Systems Inc., Bain and Co Inc. and Fred Reichheld.

RBB overview

for the reporting period ended 31 December

Headline earnings per segment (Rm and change %)



Headline earnings by segment	2015 Rm	2014[1] Rm	Change %
RBB	**9 698**	8 525	14
Retail Banking South Africa	**6 628**	5 733	16
Home Loans	**1 813**	1 574	15
Vehicle and Asset Finance	**999**	1 029	(3)
Card	**1 678**	1 347	25
Consumer Banking	**3 033**	2 573	18
Personal Loans	**361**	116	>100
Transactional and Deposits	**2 672**	2 457	9
Other	**(895)**	(790)	13
Business Banking South Africa	**2 175**	2 069	5
Business Banking (excluding equities)	**2 230**	2 135	4
Business Banking equities	**(55)**	(66)	(17)
RBB Rest of Africa	**895**	723	24

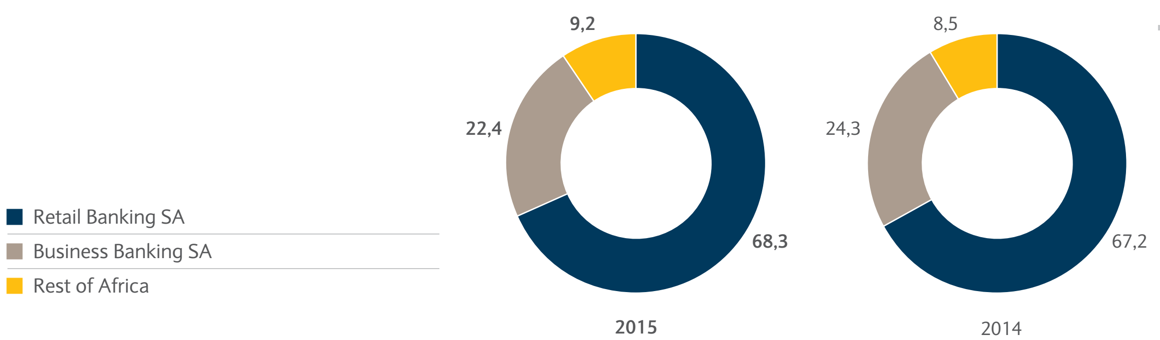
Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

RBB overview
for the reporting period ended 31 December

	Retail Banking South Africa			Business Banking South Africa		
	2015	2014[1]	Change %	**2015**	2014[1]	Change %
Statement of comprehensive income (Rm)						
Net interest income	**18 967**	17 845	6	**5 754**	5 638	2
Non-interest income	**12 282**	11 700	5	**3 336**	3 166	5
Total income	**31 249**	29 545	6	**9 090**	8 804	3
Impairment losses on loans and advances	**(4 769)**	(4 848)	(2)	**(548)**	(528)	4
Operating expenses	**(16 584)**	(16 174)	3	**(5 441)**	(5 248)	4
Other	**(139)**	(74)	88	**(43)**	(46)	(7)
Operating profit before income tax	**9 757**	8 449	15	**3 058**	2 982	3
Tax expenses	**(2 730)**	(2 344)	16	**(867)**	(844)	3
Profit for the reporting period	**7 027**	6 105	15	**2 191**	2 138	2
Profit attributable to:						
Ordinary equity holders	**6 641**	5 743	16	**2 142**	2 086	3
Non-controlling interest – ordinary shares	**227**	214	6	**—**	—	—
Non-controlling interest – preference shares	**159**	148	7	**49**	52	(6)
	7 027	6 105	15	**2 191**	2 138	2
Headline earnings	**6 628**	5 733	16	**2 175**	2 069	5
Operating performance (%)						
Net interest margin on average interest-bearing assets	**3,51**	3,47		**5,80**	6,36	
Credit loss ratio	**1,28**	1,33		**0,87**	0,87	
Non-interest income as percentage of revenue	**39,3**	39,6		**36,7**	36,0	
Revenue growth	**6**	5		**3**	6	
Cost growth	**3**	7		**4**	6	
Cost-to-income ratio	**53,1**	54,7		**59,9**	59,6	
Statement of financial position (Rm)						
Loans and advances to customers	**374 997**	367 967	2	**63 545**	61 065	4
Investment securities	**32 285**	28 464	13	**10 223**	9 691	5
Other assets	**195 823**	176 810	11	**42 601**	35 780	19
Total assets	**603 105**	573 241	5	**116 369**	106 536	9
Deposits due to customers	**166 015**	150 427	10	**110 096**	100 948	9
Debt securities in issue	**1 561**	2 191	(29)	**—**	—	—
Other liabilities	**425 941**	412 486	3	**3 901**	3 321	17
Total liabilities	**593 517**	565 104	5	**113 997**	104 269	9
Financial performance (%)						
RoRWA	**2,72**	2,61		**3,08**	2,89	
RoA	**1,15**	1,05		**1,98**	2,08	

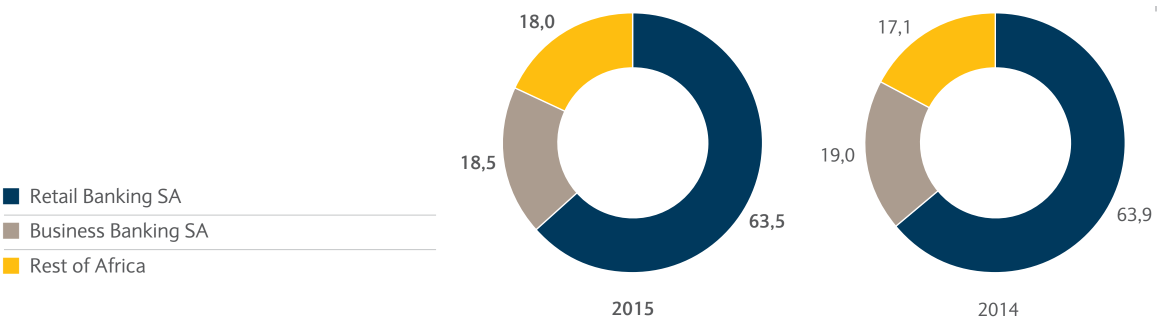
Headline earnings per segment (%)



Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

RBB Rest of Africa 2015	RBB Rest of Africa 2014[1]	RBB Rest of Africa Change %	Total RBB 2015	Total RBB 2014[1]	Total RBB Change %
6 249	5 736	9	30 970	29 219	6
2 620	2 157	21	18 238	17 023	7
8 869	7 893	12	49 208	46 242	6
(777)	(641)	21	(6 094)	(6 017)	1
(6 143)	(5 766)	7	(28 168)	(27 188)	4
(112)	(50)	>100	(294)	(170)	73
1 837	1 436	28	14 652	12 867	14
(617)	(456)	35	(4 214)	(3 644)	16
1 220	980	24	10 438	9 223	13
895	718	24	9 677	8 547	13
325	262	24	553	476	16
—	—	—	208	200	4
1 220	980	24	10 438	9 223	13
895	723	24	9 698	8 525	14
9,36	9,38		4,39	4,40	
2,07	1,95		1,29	1,32	
29,5	27,3		37,1	36,8	
12	1		6	5	
7	10		4	7	
69,3	73,1		57,2	58,8	
45 213	35 812	26	483 755	464 844	4
19 084	15 957	20	61 592	54 111	14
54 030	43 000	26	292 454	255 591	14
118 327	94 769	25	837 801	774 546	8
68 736	57 206	20	344 847	308 581	12
493	880	(44)	2 054	3 071	(33)
33 820	25 476	33	463 662	441 283	5
103 049	83 562	23	810 563	752 935	8
0,99	0,84		2,39	2,26	
0,94	0,75		1,24	1,15	

Revenue by segment (%)



This page has been left blank intentionally

RBB – Retail Banking South Africa

for the reporting period ended 31 December

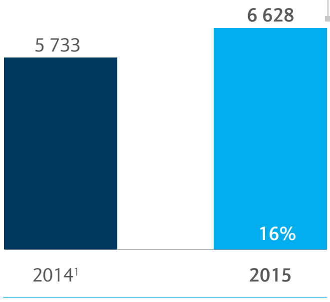
Highlights

- Strong 16% growth in headline earnings to **R6 628m** (2014: R5 733m) due to positive Jaws and lower credit impairments.
- Net interest income increased 6% following strong deposit growth of 10% and improved pricing on new loans.
- Non-interest income growth of 5% on the back of increased transactional activity.
- Credit impairments declined by 2% to **R4 769m** (2014: R4 848m), with the credit loss ratio improving from 1,33% to 1,28%.
- Low-cost growth of 3% attributable to benefits from the multi-channel programme and focused cost management.
- The Edcon portfolio recorded headline earnings of **R123m** (2014: R9m loss), largely as a result of focused long-term credit risk management strategies.
- Production levels continue to increase across key portfolios with the exception of VAF.
- Growth in customer numbers to **8,8m** (2014: 8,6m) through strong acquisition of new customers and reduced account closures.

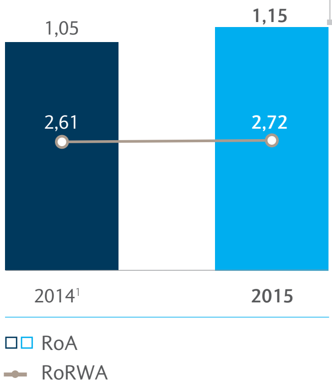
Challenges

- Subdued growth in loans and advances of 2% is impacted by lower balances in Edcon and high book run-off in Home Loans.
- Non-interest revenue is impacted by the reduced interchange rate following regulatory changes and customer migration to digital channels.
- Declining market share across the portfolio, in spite of growth in Home Loans and Personal Loans new business production.

Headline earnings
(Rm and change %)



RoA and RoRWA (%)



Salient features	2015	2014[1]	Change %
Revenue (Rm)	**31 249**	29 545	6
Attributable earnings (Rm)	**6 641**	5 743	16
Headline earnings (Rm)	**6 628**	5 733	16
Credit loss ratio (%)	**1,28**	1,33	
Cost-to-income ratio (%)	**53,1**	54,7	
RoRWA (%)	**2,72**	2,61	
RoA (%)	**1,15**	1,05	

Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Business profile

Retail Banking South Africa offers a comprehensive suite of retail banking products and services to individuals and provides asset finance to commercial customers. It caters for the full spectrum of customers, from those needing basic banking services to those requiring sophisticated financial solutions. The focus is on providing a consistently superior experience across each of the channels, matched closely to the needs and expectations of each customer segment. Customers are served through an extensive branch and self-service terminal network, electronic and mobile channels, relationship managers as well as call centre agents.

Key business areas

- **Home Loans** – offers residential property-related finance solutions direct to customers through personalised services (includes Private and Wealth coverage channels), and a range of electronic channels and intermediaries such as estate agents and originators.
- **Vehicle and Asset Finance** – offers customised vehicle and movable asset finance products and services directly and via dealers through face-to-face engagements, call centre agents and digital channels to both individual and commercial asset finance customers with the latter including marine and aviation financing products, technology finance solutions as well as vehicle fleet management solutions, fleet card management and associated services. Joint ventures with Ford Financial Services and MAN Financial Services are an extension of VAF, with a focus on manufacturer-specific asset financing solutions and offerings. Alliance and preferred supplier agreements are in place with key groups in order to strengthen relationships with our partners and to optimise sales, through focused service offerings.
- **Card** – offers credit cards and merchant acquiring solutions via a mix of Absa-branded and co-branded offerings including British Airways, Avios and Virgin Money. Included within this portfolio are strategic partnerships with Edcon (including the Namibian portfolio), which offers in-store cards and Woolworths Financial Services, which offers in-store store cards, credit cards, personal loans and short-term insurance products.
- **Personal Loans** – offers unsecured instalment loans through face-to-face engagements, call centre agents as well as electronic and mobile channels..
- **Transactional and Deposits** – offers a full range of transactional banking, savings and investment products, rewards programme and services through a variety of channels. These include physical branches, digital channels, ATMs, priority suites, call centres as well as through a third-party retailer PEP (part of the PEPKOR Group).
- **Other** – includes distribution channel costs not recovered from product houses, change management programme and funding costs held centrally for Retail Banking South Africa.

The following organisational changes took place during the current reporting period impacting the reporting structure of Retail Banking South Africa and financial results for comparative period have been restated accordingly:

- A material portion of operating expenses previously held in **Other** was allocated to relevant business units within Retail Banking South Africa.
- Student loans included in loans and advances to customers were reallocated from **Transactional and Deposits** to **Personal Loans.**
- Certain loan account portfolios were transferred from **WIMI** to **Home Loans** resulting in a reclassification of loans and advances to customers.

Comparative periods were not restated for the following change:

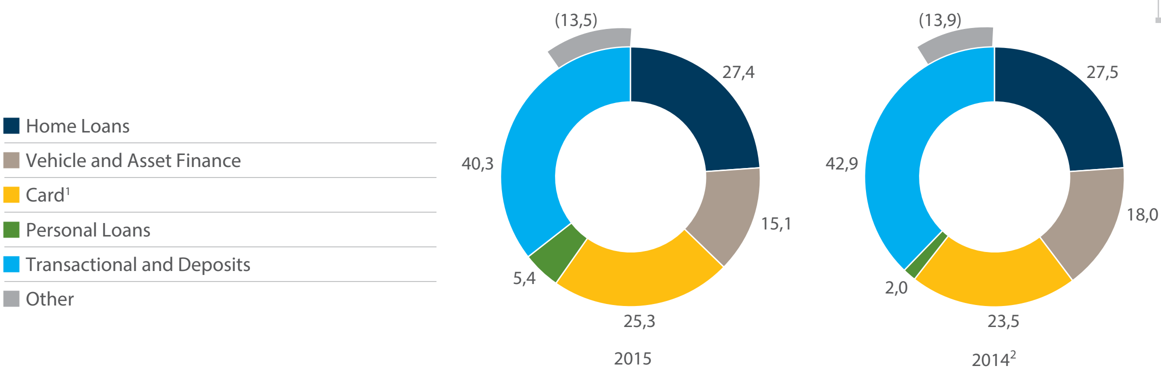
- **Sustainable Integrated Residential Developments ("SIDs")** – previously reported in the Retail Banking South Africa segment within Home Loans with a portfolio of R134m, were transferred to Business Banking South Africa.

RBB – Retail Banking South Africa

for the reporting period ended 31 December

	Home Loans			Vehicle and Asset Finance		
	2015	2014[2]	Change %	**2015**	2014[2]	Change %
Statement of comprehensive income (Rm)						
Net interest income	**4 328**	4 300	1	**2 959**	2 901	2
Non-interest income	**353**	358	(1)	**792**	736	8
Total income	**4 681**	4 658	0	**3 751**	3 637	3
Impairment losses on loans and advances	**(689)**	(860)	(20)	**(848)**	(797)	6
Operating expenses	**(1 455)**	(1 598)	(9)	**(1 670)**	(1 573)	6
Other	**(17)**	(14)	21	**108**	118	(8)
Operating income before income tax	**2 520**	2 186	15	**1 341**	1 385	(3)
Tax expenses	**(707)**	(613)	15	**(342)**	(350)	(2)
Profit for the reporting period	**1 813**	1 573	15	**999**	1 035	(3)
Profit attributable to:						
Ordinary equity holders	**1 813**	1 573	15	**999**	1 035	(3)
Non-controlling interest – ordinary shares	**—**	—	—	**—**	—	—
Non-controlling interest – preference shares	**—**	—	—	**—**	—	—
	1 813	1 573	15	**999**	1 035	(3)
Headline earnings	**1 813**	1 574	15	**999**	1 029	(3)
Operating performance (%)						
Credit loss ratio	**0,30**	0,37		**0,98**	1,01	
Non-interest income as percentage of revenue	**7,5**	7,7		**21,1**	20,2	
Revenue growth	**0**	5		**3**	9	
Cost growth	**(9)**	—		**6**	6	
Cost-to-income ratio	**31,1**	34,3		**44,5**	43,2	
Statement of financial position (Rm)						
Loans and advances to customers	**229 026**	229 292	0	**89 635**	84 510	6
Investment securities	**12 076**	9 766	24	**4 569**	3 473	32
Other assets	**7 083**	6 393	11	**5 183**	4 217	23
Total assets	**248 285**	245 451	1	**99 387**	92 200	8
Deposits due to customers	**2 113**	2 021	5	**206**	163	26
Debt securities in issue	**1 561**	2 191	(29)	**—**	—	—
Other liabilities	**242 555**	239 533	1	**97 059**	90 125	8
Total liabilities	**246 229**	243 745	1	**97 265**	90 288	8
Financial performance (%)						
RoRWA	**2,49**	2,25		**1,48**	1,73	
RoA	**0,73**	0,64		**1,05**	1,20	

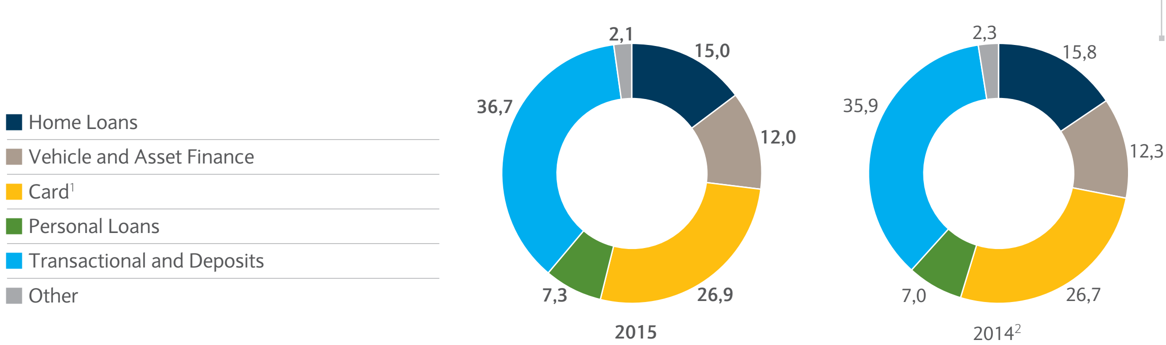
Headline earnings (%)



Notes
[1] Includes WFS and the Edcon portfolio.
[2] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

	Card[1]			Consumer Bank			Personal Loans		
	2015	2014[2]	Change %	**2015**	2014[2]	Change %	**2015**	2014[2]	Change %
	5 090	4 852	5	**6 589**	5 807	13	**1 953**	1 746	12
	3 313	3 041	9	**7 169**	6 881	4	**322**	329	(2)
	8 403	7 893	6	**13 758**	12 688	8	**2 275**	2 075	10
	(2 344)	(2 262)	4	**(888)**	(933)	(5)	**(805)**	(855)	(6)
	(3 267)	(3 315)	(1)	**(8 649)**	(8 180)	6	**(968)**	(1 070)	(10)
	(119)	(104)	14	**(7)**	(2)	>100	**(1)**	11	<(100)
	2 673	2 212	21	**4 214**	3 573	18	**501**	161	>100
	(758)	(636)	19	**(1 181)**	(1 000)	18	**(140)**	(45)	>100
	1 915	1 576	22	**3 033**	2 573	18	**361**	116	>100
	1 678	1 346	25	**3 033**	2 573	18	**361**	116	>100
	227	208	9	**—**	—	—	**—**	—	—
	10	22	(55)	**—**	—	—	**—**	—	—
	1 915	1 576	22	**3 033**	2 573	18	**361**	116	>100
	1 678	1 347	25	**3 033**	2 573	18	**361**	116	>100
	6,07	6,19		**5,26**	5,56		**5,64**	6,06	
	39,4	38,5		**52,1**	54,2		**14,2**	15,9	
	6	3		**8**	4		**10**	7	
	(1)	9		**6**	—		**(10)**	2	
	38,9	42,0		**62,9**	64,5		**42,5**	51,6	
	39 022	38 190	2	**17 311**	15 973	8	**15 086**	13 917	8
	2 024	1 619	25	**914**	757	21	**769**	544	41
	11 632	11 014	6	**166 582**	148 733	12	**363**	313	16
	52 678	50 823	4	**184 807**	165 463	12	**16 218**	14 774	10
	1 998	1 928	4	**161 662**	146 227	11	**12**	10	20
	—	—	—	**—**	—	—	**—**	—	—
	47 757	46 476	3	**20 106**	16 654	21	**15 845**	14 649	8
	49 755	48 404	3	**181 768**	162 881	12	**15 857**	14 659	8
	2,56	2,31		**8,54**	8,82		**1,97**	0,73	
	3,20	2,84		**1,83**	1,74		**2,36**	0,77	

Revenue (%)



Transactional and Deposits			Other			Total Retail Banking South Africa		
2015	2014[2]	Change %	**2015**	2014[2]	Change %	**2015**	2014[2]	Change %
4 636	4 061	14	**1**	(15)	>100	**18 967**	17 845	6
6 847	6 552	5	**655**	684	(4)	**12 282**	11 700	5
11 483	10 613	8	**656**	669	(2)	**31 249**	29 545	6
(83)	(78)	6	**—**	4	(100)	**(4 769)**	(4 848)	(2)
(7 681)	(7 110)	8	**(1 543)**	(1 508)	2	**(16 584)**	(16 174)	3
(6)	(13)	(54)	**(104)**	(72)	43	**(139)**	(74)	88
3 713	3 412	9	**(991)**	(907)	31	**9 757**	8 449	15
(1 041)	(955)	9	**258**	255	1	**(2 730)**	(2 344)	16
2 672	2 457	9	**(733)**	(652)	12	**7 027**	6 105	15
2 672	2 457	9	**(882)**	(784)	13	**6 641**	5 743	16
—	—	—	**—**	6	(100)	**227**	214	6
—	—	—	**149**	126	18	**159**	148	7
2 672	2 457	9	**(733)**	(652)	12	**7 027**	6 105	15
2 672	2 457	9	**(895)**	(790)	13	**6 628**	5 733	16
3,18	2,93		**n/a**	n/a		**1,28**	1,33	
59,6	61,7		**n/a**	n/a		**39,3**	39,6	
8	4		**n/a**	n/a		**6**	5	
8	0		**n/a**	n/a		**3**	7	
66,9	67,0		**n/a**	n/a		**53,1**	54,7	
2 225	2 056	8	**3**	2	50	**374 997**	367 967	2
145	213	(32)	**12 702**	12 849	(1)	**32 285**	28 464	13
166 219	148 420	12	**5 342**	6 453	(17)	**195 823**	176 810	11
168 589	150 689	12	**18 047**	19 304	(7)	**603 105**	573 241	5
161 650	146 217	11	**36**	88	(59)	**166 015**	150 427	10
—	—	—	**—**	—	—	**1 561**	2 191	(29)
4 261	2 005	>100	**18 464**	19 698	(6)	**425 941**	412 486	3
165 911	148 222	12	**18 500**	19 786	(6)	**593 517**	565 104	5
15,56	18,56		**n/a**	n/a		**2,72**	2,61	
1,78	1,84		**n/a**	n/a		**1,15**	1,05	

Financial performance

Headline earnings increased 16% to **R6 628m** (2014: R5 733m) due to 6% revenue growth and low operating expenses growth of 3% reflecting a well-managed cost base. This contributed to positive Jaws of 3,23% and pre-provision profit growth of 10% to **R14 666m** (2014: R13 372m). This performance was enhanced by 2% lower credit impairments resulting from continued improvement in the quality of the book and a strong collections performance.

Solid revenue growth of 6% to **R31 249m** (2014: R29 545m) was achieved in a challenging macroeconomic environment. Net interest income growth of 6% was mainly driven by strong deposit balances growth of 10%. Net interest margin improved to **3,51%** (2014: 3,47%) reflecting deposits margin expansion, improved pricing on new advances and rolling-off of low margin business, higher average prime interest rates offset by increased funding costs and competitive pricing pressure in VAF. Non-interest income growth of 5% was largely due to increased transactional activity in spite of a reduction in interchange rates following regulatory changes which reduced income by R300m, strong growth in rewards paid to customers, the sale of more affordable products and the continued migration to bundled products and digital channels.

The credit loss ratio improved to **1,28%** (2014: 1,33%) reflecting a 2% decline in credit impairments to **R4 769m** (2014: R4 848m), mainly due to higher recoveries, deployment of credit strategies designed to drive reductions in high-risk balances and support profitable balance growth where appropriate and improved collections performance across the portfolio, partly offset by an increase in VAF credit impairments. While performance is in line with expectations, emerging financial stress has been observed in delinquency cycles including an increase in debt counselling inflows across the portfolio.

Low operating expenses growth of 3% reflects the operational efficiencies resulting from the multichannel programme and continued focus on discretionary cost management. The cost-to-income ratio has improved to **53,1%** (2014: 54,7%).

Loans and advances to customers increased by 2% to **R375bn** (2014: R368bn), largely due to a 6% increase in VAF driven by strong growth in the joint ventures and alliances portfolios, a 6% and 7% increase in Absa Card and WFS balances respectively and an 8% growth in Personal Loans. Growth was negatively impacted by Home Loans, with new business being marginally lower than book run-off and Edcon, where balances declined by 10%.

Deposits due to customers increased by 10% to **R166bn** (2014: R150bn), largely due to the continued growth in the Depositor Plus investment product and fixed deposits.

Home Loans headline earnings continued to improve with strong growth of 15% to **R1 813m** (2014: R1 574m), primarily driven by a 20% decline in credit impairments as a result of increased collections and recoveries. Revenue has remained flat, while operating expenses decreased by 9% from lower processing and distribution channel costs.

VAF's headline earnings decreased by 3% to **R999m** (2014: R1 029m), as a 6% increase in the credit impairments and 6% operating expense growth offset satisfactory revenue growth of 3%. Operating expense growth was largely driven by the investment in automation in the operational environment with normal business cost remaining well controlled.

Card's headline earnings growth of 25% to **R1 678m** (2014: R1 347m) was largely attributable to strong growth in transactional volumes, together with a solid performance in new balances booked in the Absa Card and WFS portfolios which increased by 6% and 7% respectively. The strong volume growth offset a decline in interchange rates as a result of regulatory changes. Continued positive momentum in the Edcon portfolio, particularly in the second half of 2015, as a result of focused credit risk management strategies resulted in a significant improvement in headline earnings to **R123m** (2014: R9m loss) with the credit loss ratio declining to **10,18%** (2014: 11,50%).

Personal Loans reflected exceptional headline earnings growth to **R361m** (2014: R116m), mainly due to revenue growth of 10% driven by increased new business flow coupled with continued roll-off of lower margin business and a decline of 6% in credit impairments on the back of a strong collections performance. Operating expenses have decreased by 10% as a result of continued cost containment efforts.

Transactional and Deposits headline earnings increased 9% to **R2 672m** (2014: R2 457m), with revenue and operating expenses both growing by 8%, maintaining a cost-to-income ratio of **66,9%** (2014: 67,0%). Strong growth of 14% in net interest income was driven by 11% increase in deposit balances. Operating expenses growth of 8% was driven by investment in people and technology along with the increase in cash-related transactions which generates a good proportion of the revenue.

Operating environment

The following factors had a key influence on Retail Banking South Africa:

- Consumer finances remained under pressure as growth in employment, real household disposable income and consumer expenditure declined further. Consumer credit-risk profiles did not show any significant improvement, impacting access to credit.
- Consumer price inflation remained well within the inflation target range, but started to edge up in late 2015 as a result of the impact of the drought on food prices. Interest rates were hiked in July and November by 25bps, impacting the cost and affordability of credit.
- Growth in household credit extension remained relatively low at 4,6% across the secured and unsecured advances.
- Total new vehicle sales volumes declined by 4,1%.
- Consumers remained heavily indebted with the ratio of household debt to disposable income above 78%.
- Consumer confidence deteriorated further to its lowest level in many years.
- Increase in income tax rates has further eroded disposable income levels, particularly in the affluent customer segments.
- The outlook for consumers is increasing levels of financial strain in 2016 in view of continued low economic and employment growth, weakening exchange rates, rising inflation and upward pressure on interest rates.
- Continued challenges from the underperformance of utilities, particularly relating to electricity and water supply, are likely to increase pressure on consumers, while leading to direct and indirect cost increases.

RBB – Retail Banking South Africa

for the reporting period ended 31 December

Business performance

The sustained improvement in the financial performance was underpinned by planned investment initiatives and focused execution against strategic imperatives resulting in the delivery of new and innovative propositions like free Wi-Fi in certain branches and Private Banking for Professionals.

The ongoing investment in digitisation, innovation, developing our people and reinvigorating the branch and ATM networks contributed to the steady rise of new business volumes across most products in a challenging marketplace. The risk profile of new business remains well within business risk appetite and is appropriately priced.

Impairment levels have improved on the back of strong risk management initiatives including the introduction of new scorecards, refinement of pricing and profitability models as well as the continued enhancement of collections and recovery processes.

Overall customer numbers increased to **8,8m** (2014: 8,6m) with growth in key segments indicating that the turnaround strategy is yielding both retention and new customer acquisition benefits.

Strong cost management discipline has enabled continued investment in targeted marketing initiatives as well as a multi-year channel transformation programme spanning all key customer-facing channels. Enhanced functionality ATMs and the prevalence of online capable devices, provides the opportunity for the banking sector to simultaneously improve the customer experience and utilise bank resources more efficiently. The programme has focused on positioning the organisation to be the future of banking on the continent and seeks to establish the industry standard by offering new ways to bank that combine great technologies and physical locations with the best face-to-face service. The programme focused on improving the customer experience through investing in functionalities to offer alternative and improved ways for the customer to interact with the bank. Cost management remains a key focus to ensure benefits resulting from the customer adoption of more convenient banking channels are realised.

The channel transformation programme has continued to deliver capabilities that will enable the bank to deliver improved service to our customers, including:

- Functionalities to allow customers to perform transactions without being required to visit a branch, including self-registration for customers on the banking app and ensuring that standalone home loan and vehicle finance customers are able to register on internet banking.
- Additional functionalities on cash-accepting devices (“CAD(s)”) to improve the customer experience. Customers are increasingly opting to deposit cash through these devices which now make up 50% of deposit volumes.
- New branch operating models being tested, including layout, digital in-branch capabilities, multi-skilled staff roles and a customer service training programme.
- Refurbishing and repositioning of physical distribution outlets (branches, ATMs and CADs) to improve the customer experience, with 30% of the branch network having been improved. The Absa ATM channel was voted the number one channel in South Africa (SACSI).
- Ongoing branch process improvements to enable a quicker and more efficient experience for customers and staff.
- Free public Wi-Fi has been deployed at select branches.

Home Loans

Headline earnings increased 15% to **R1 813m** (2014: R1 574m) on the back of a 20% decrease in credit impairments and 9% decrease in operating expenses, while revenue remained flat.

Net interest income increased by 1% due to an improved yield on the existing book as well as increased contribution of performing loans as a percentage of total book from 95,5% to 96,0%, coupled with the rolling-off of lower margin business. New business pricing improved from 50 bps to 44 bps below prime, while the overall margin increased from 1,82% to 1,85%.

Credit impairments decreased by 20% to **R689m** (2014: R860m) in spite of a deteriorating economic environment. The decline was supported through increased collection activities and recovery strategies implemented to improve the delinquency construct. This translated into NPLs reducing from R10,5bn to R9,3bn and a continued improvement in the credit loss ratio to **0,30%** (2014: 0,37%). Properties in possession remained unchanged at R37m.

Operating expenses remained well controlled with a 9% decrease to **R1 455m** (2014: R1 598m) largely attributable to lower processing and distribution channel costs. The cost-to-income ratio improved to **31,1%** (2014: 34,3%).

Loans and advances to customers decreased marginally by 0,1%, the lowest decline in five years, resulting in a loss of stock market share from 26,4% to 25,5% (as reported in the BA 900). Registrations increased **13,3%** (2014: -3,2%), the highest in four years, but still marginally lower than book run-off. Market share of new business flow increased to **20,0%** (2014: 19,3%) per Lightstone, while loans not taken up decreased from 16,2% to 14,5%, which resulted in work in progress increasing to a seven-year high. Risk appetite was reviewed and expansions were implemented in higher loan-to-value and lower borrower risk segments, resulting in new business loan-to-values increasing from 75,8% to 77,5%. Registration distribution of lower loan-to-values decreased from 72,9% to 62,1%, with the risk profile of customers remaining unchanged at very low risk. Higher loan to values distribution increased from 27,1% to 37,9%, with an improvement in the risk profile of the very low-risk customer from 71% to 75%, per Lightstone. Home Loans continues to focus on responsible lending and originating good quality loans.

RBB – Retail Banking South Africa
for the reporting period ended 31 December

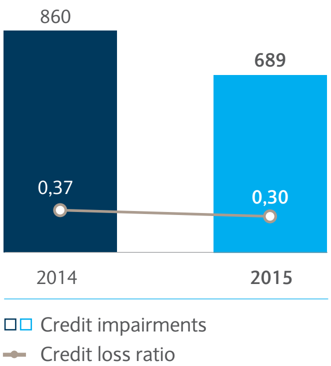
Business performance *(continued)*

Performing loans declined marginally to **R222,3bn** (2014: R222,6bn), however, have increased as a percentage of total advances from 95,5% to 96,0%. Performing loans coverage ratio decreased to **0,56%** (2014: 0,62%) while NPLs coverage ratio decreased to **22,11%** (2014: 25,30%). The NPLs coverage ratio decrease is attributable to the improvement of default status, time spent in default now **25 months** (2014: 28 months) and recovery of aged default accounts.

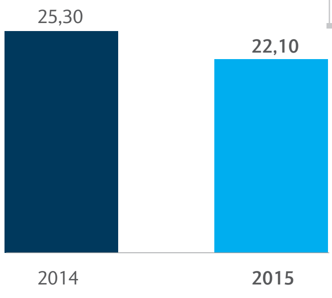
The Home Loans strategy is focused on sustainable profitable growth, through the cycle. The business continues to innovate and transform into a more customer-centric business:

- Repositioning the affordable housing proposition under MyHome;
- Repositioning affluent and wealth segment products in the form of Private One and Universal;
- Continuing to digitise the mortgage loan process with Absa Homeowners App, which offers speed, convenience and 24/7 accessibility;
- New sales process and the launch of Skybranch resulting in an improvement in turnaround times and a reduction in customer complaints;
- The launch of "Guiding You Home" DStv programme, which provides borrower education in relation to home ownership, the highest rated programme on the Home Channel; and
- Strong partnerships forged with all stakeholders (originators, estate agents, valuers and attorneys) to support the business strategy.

Credit impairments and credit loss ratio
(Rm, % and change %)



NPL – coverage ratio (%)



Vehicle and Asset Finance

Headline earnings of **R999m** (2014: R1 029m) reflect a 3% decline due to subdued topline income growth of 3%. Satisfactory business growth was achieved over the period in spite of continued contraction in the South African automotive industry. The new vehicle market contracted by 4,1% (per National Association of Automobile Manufacturers of South Africa), while the new and used passenger car and light commercial financed market declined by 3,5% (per TransUnion). This market decline in conjunction with competitiveness from non-bank financiers impacted retail business production which declined by 13%. New passenger vehicles contributed **36%** (2014: 37%) to the retail units financed. Loans and advances to customers increased by 6% in spite of the decline of the retail portfolio as this was more than offset by the exceptional joint venture growth, combined with above market origination in the commercial portfolios. The average term of new individual instalment sale contracts remained consistent at 68 months.

Net interest income increased 2% on the back of 6% commercial portfolios advances growth, with net interest margin of **3,29%** (2014: 3,57%) remaining under pressure due to competitive market pricing and constrained growth in retail instalment sales. Interest margin growth was impacted by a once-off recognition adjustment relating to amortisation of fees over the term of a contract in the prior reporting period.

Non-interest income increased 8% mainly due to strong growth in the services portfolio through Vehicle Management Services. Other fee and commission income increased in line with new business growth.

The overall credit loss ratio for VAF improved to **0,98%** (2014: 1,01%) mainly driven by strong recovery processes across the portfolios.

The retail instalment portfolio deteriorated marginally through 2015 due to weak economic conditions, higher origination of new-to-bank accounts and a decline in overall production. Performing loans decreased from 97,9% to 97,2%, as a result of early arrears increasing from 4,9% to 5,7% and NPLs increasing from 2,1% to 2,8% primarily due to the growth in the debt counselling book. The debt counselling book constitutes **2,5%** (2014: 1,5%) of the retail instalment book. Impairment coverage on the performing book remained flat at 0,27%, while coverage on early arrears increased from 7,10% to 7,71%. NPLs coverage decreased from 43,32% to 36,13% due to the shift in the NPLs book construct from legal to late arrears. The legal book decreased by 2% from R637m to R624m. The retail portfolio credit loss ratio decreased marginally from 1,24% to 1,21% reflecting focused and effective collection strategies.

RBB – Retail Banking South Africa
for the reporting period ended 31 December

Business performance *(continued)*

The commercial instalment sale portfolio continued its good performance on the back of low new defaults and a stable book construct with collateral realisation values holding up well. The credit loss ratio improved marginally to **0,45%** (2014: 0,49%).

Cost-to-income ratio increased to **44,5%** (2014: 43,2%) mainly due to the moderate income growth. Operating expenses growth at 6% is largely attributed to the investment in automation in the operational environment with normal business cost remaining well controlled.

The Ford Financial Services joint venture new business increased by 30% exceeding market growth and expectations, largely as a result of Ford market share growth.

The joint venture with MAN Financial Services and other commercial alliances reflect sound performance.

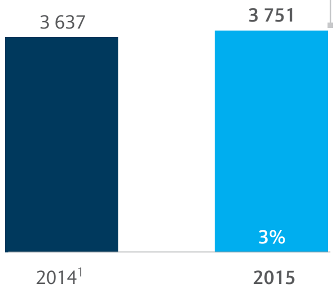
VAF's overall market share in instalment sales marginally deteriorated from 19,3% to 19,0% (as reported in the BA 900). The decrease in retail market share from 19,5% to 19,0% was driven by the decline in growth of retail instalment sales in the second half of the year. This was largely balanced by a strong commercial market share gain increasing from 18,9% to 19,2%.

The contraction in the vehicle market, consumer confidence and general customer affordability remains the most significant business pressures. VAF will remain focused on the following:

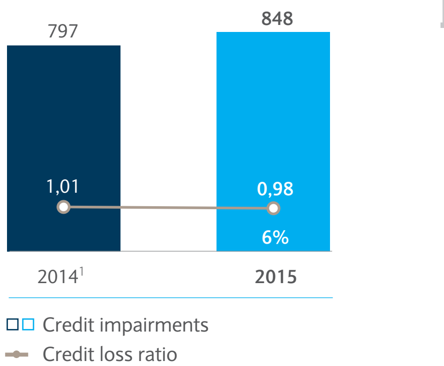
- Ongoing automation and optimisation of our service environment to give our partners and customers more efficient service;
- Investing in the product system in order to provide a stable service;
- Retention of customers through credit solutioning given the continued affordability pressures in the economic environment; and
- Continue to refine fraud prevention and detection systems and measures.

Card

Revenue (Rm and change %)



Credit impairments and credit loss ratio
(Rm, % and change %)



Headline earnings for the consolidated Card portfolio increased by 25% to **R1 678m** (2014: R1 347m). Loans and advances to customers grew by 2%, with Absa Card and WFS reflecting an increase of 6% and 7% respectively, while Edcon decreased by 10%. In spite of the 10% decrease in loans and advances, Edcon headline earnings increased to **R123m** (2014: R9m loss).

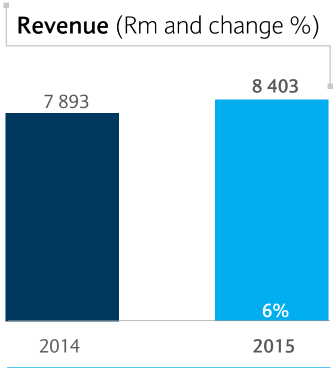
Regulatory changes in the second half of the year had an impact on both new account sales and existing credit limit increase strategies, which impacted growth in new balances. The number of active accounts across the portfolio declined by 7,8% from 7,1m to 6,6m accounts. This decline was experienced primarily within the Edcon portfolio, with the Absa Card and WFS portfolios remaining largely flat.

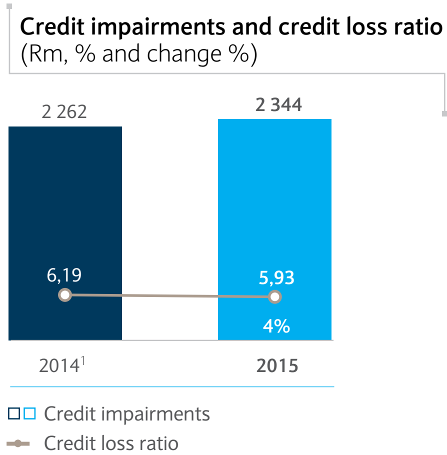
Net interest margins declined to **9,85%** (2014: 9,97%) due to increased funding costs and lower yields based on a change in the mix of advances following the decline in the Edcon portfolio partly offset by the repricing of the Usury and NCA books, along with an increase in the present value of expected post write-off recoveries.

Transactional volumes (excluding cash) on credit and store cards grew 5,4% in spite of a decline in Edcon volumes of 10%. The growth in Absa Card and WFS was in excess of inflation as the business secured a larger share of consumer spending from existing and new customers. This was complemented by a 14% growth in merchant acquiring turnover, as Absa Card consolidated its position as the largest payment acceptance business in Africa and the 55th largest globally. On 17 March 2015 the new interchange regime came into effect, which saw credit card interchange income reducing by R190m compared to the prior reporting period.

The reduction in the consolidated credit loss ratio to **6,07%** (2014: 6,19%) is due to the ongoing focus on credit quality and the deployment of credit strategies designed to drive reductions in high-risk balances and support profitable balance growth where appropriate. While overall asset performance is in line with expectations, financial stress has been observed in early and late stage delinquency cycles including an increase in debt counselling inflows across the Absa Card and WFS portfolios. The impairment stock coverage of NPLs for the consolidated portfolio has decreased from 71,53% to 70,44% due to improving recoveries.

Business performance *(continued)*





Operating expenses declined 1% in spite of investment in frontline staff and new channel innovations. The business continues to focus on extracting efficiencies in the cost base, with the implementation of quicker and more cost-effective processes to get cards to customer as well as self-service channels. Due to significant investment made in the early detection of application and transaction fraud, the level of fraud losses incurred has reduced by 67,5% to levels well within risk appetite.

The Absa Card business has leveraged off the integrated issuing and acquiring business model to successfully launch the Payment Pebble and has taken the market lead in mobile point-of-sale payment acceptance with 12 000 devices sold. This helps position the business to target high-margin growth segments in the market, which will offset margin compression in traditional segments going forward. The Payment Pebble is playing a strategic role within our key merchants as they seek ways to eliminate lengthy till queues and improve customer service.

The regulatory and macro-economic environment will remain challenging for the foreseeable future, and the business continues to seek ways to strengthen internal controls and to optimise risk management strategies and product offerings. The strategy and focus over the short to medium term remains to enable our customers to increase the use of card as a payment mechanism through:

- radically simplifying product offerings;
- enabling customers with instant access via digital channels;
- unlocking new markets/spend categories;
- shaping the future of payments through innovation; and
- increasing revenue, customers and profitable market share.

Personal Loans

Headline earnings reflects exceptional growth to **R361m** (2014: R116m) due to strong revenue growth of 10% and a decrease in credit impairments and operating expenses by 6% and 10% respectively.

New business production grew by 22% driven by increased credit limits and enhanced acquisition strategies offered to our existing low-risk customer base, further supported by strategic sales and marketing drives. This resulted in loans and advances increasing by 8%. Flow market share according to the National Credit Regulator has improved to **9,7%** for September 2015 (September 2014: 9,0%).

Revenue increased by 10% to **R2 275m** (2014: R2 075m) on the back of improved yields due to book growth of 8%, repricing new business and continued roll-off of lower margin business.

Credit impairments decreased by 6% to **R805m** (2014: R855m) resulting in the credit loss ratio reducing to **5,64%** (2014: 6,06%). Performing loans as a percentage of the total book remained flat at 88,8%. NPLs coverage ratio remained strong at **63,73%** (2014: 62,36%) as we continue to adopt appropriate risk management practices in light of the deteriorating economic environment. The improvement in overall risk mix is due to superior, high and medium-quality bookings making up 87% of the book increasing from 83% . Legal and pre-legal recovery rates continue to improve supported by strong collection efforts. New business vintages remain healthy and are performing within acceptable levels of risk appetite.

Process improvements across all channels, as well as increased service levels in the voice channel, have led to an overall improvement in customer experience. Enhancing our digital capabilities to allow customers to apply online as well as migrating customers to more efficient and convenient channels remains a key priority.

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

RBB – Retail Banking South Africa

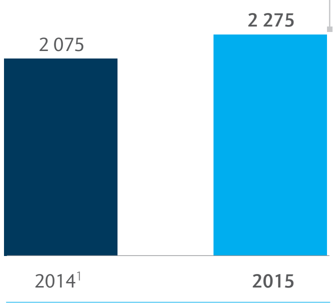
for the reporting period ended 31 December

Business performance *(continued)*

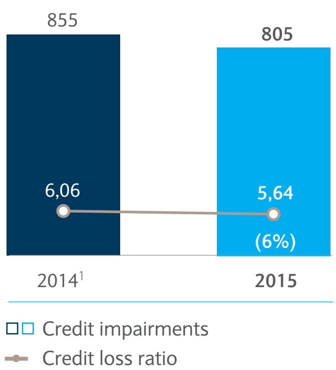
Focused cost management has resulted in a 10% decrease in operating costs, and an improvement in the cost-to-income ratio from 51,6% to 42,5%.

Looking ahead, the focus remains on responsible lending and continuously reviewing credit and collections strategies along with processes in light of the challenging economic environment. We aim to further responsibly increase the penetration into the Group's customer base and enhance our customer propositions

Revenue (Rm and change %)



Credit impairments and credit loss ratio (Rm, % and change %)



Transactional and Deposits

Strong headline earnings growth of 9% to **R2 672m** (2014: R2 457m) reflects the realisation of our turnaround plans and increased efforts to reduce customer attrition. The growth was achieved on the back of solid revenue growth of 8% combined with a 10bps improvement in the cost-to-income ratio to **66,9%** (2014: 67,0%) in spite of an increase in total operating expenses of 8% to **R7 687m** (2014: R7 123m) as the business invested in optimising internal structures, people and technology to capitalise on growth opportunities.

Net interest income increased by 14% to **R4 636m** (2014: R4 061m) primarily due to deposit balances growing by 11%, on the back of the continued positioning of Absa as a savings bank with consistent targeted marketing presence, supported by new product and capability launches, including the tax-free savings account and the click to save online functionality. The market demand for liquidity and the expectation of future prime rate increase have driven longer term yield curves up, allowing the bank an opportunity to increase margins. Growth in 2015 was better balanced across all products and was largely driven by term deposits growing at 14% and demand deposits growing at 13%.

Non-interest income increased by 5% to **R6 847m** (2014: R6 552m) on the back of improved transactional activity generated from an increased account base. Customer retention has improved from targeted commercial engagement activities while targeted marketing campaigns highlighting the features and benefits of the various offerings have enhanced our presence in the market and contributed to continued growth in new bank customers. This growth has contributed to a higher proportion of revenue from annuity-based monthly management fees, limiting the adverse impact of customers adopting low-cost interaction points, including our wide ATM network. The overall revenue generated per account is reducing due to customers opting for affordable value bundle offers instead of traditional pay-as-you-transact products. Revenue was further impacted by an increased take-up of Absa Rewards resulting in higher cash payouts earned by customers making use of more cost-efficient channels.

Included in revenue is the positive impact of insourcing ATM service operations. However, this is offset by the new interchange regime introduced on 17 March 2015, resulting in a decrease in debit card interchange income of R110m compared to the previous year. Debit card activity continued to grow as customer behaviour shifts away from cash-based to POS transactions.

The number of transactional accounts grew by 5% from the previous year as a result of intensified customer retention and reactivation efforts and the strong market positioning of Absa Rewards. Acquisition of new customers was further enhanced by the relationship with PEP (part of the PEPKOR Group).

Efforts to improve the customer onboarding process and automation of debit order switching has resulted in higher activation rates of new accounts leading to improved levels of customer engagement, further solidifying the relationship with the bank. In addition, account tenure has improved due to continuous efforts to migrate customers to more appropriate products as they evolve through various life stages.

Membership of Absa Rewards has grown by 14% leading to increased account utilisation across the portfolio and deepening of the customers' relationship with the bank. We are continuously reviewing strategic partnerships for inclusion in the programme to further deliver value to transacting members.

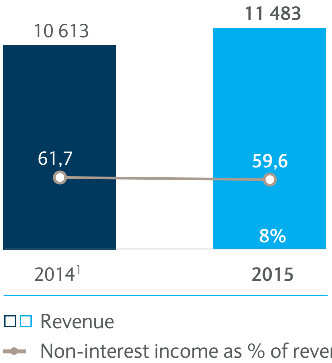
Looking ahead, we aim to continue to build on the momentum and strong performance achieved in 2015 by focusing on attracting new customers and maximising value delivered to our existing customer base.

Note

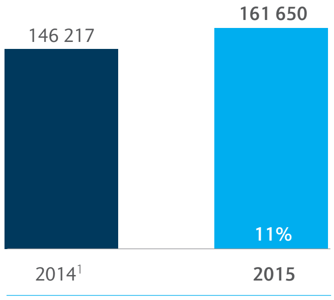
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

Business performance *(continued)*

Revenue and non-interest income as % of revenue (Rm and change %)



Deposits due to customers (Rm and change %)



Other

Headline earnings declined to a loss of **R895m** (2014: R790m loss) driven by higher strategic initiative spend and reinvestment in the ATM network, partly offset by growth in fee income from non-Absa customers.

Looking ahead

Our turnaround journey remains on track, there is sustained real customer growth in key segments and client attrition has slowed, customer service is improving, our marketing share of voice is beginning to be felt, and our costs and credit losses are well contained. A detailed series of plans and initiatives are in place to leverage and expand on the platforms laid with the emphasis continuing on effective customer engagement through a relentless focus on service excellence and doing the basics rights, including:

- Commercial application of customer insights through data integration and a focus on campaign execution;
- Responsible provision of credit and maintenance of an appropriate risk appetite;
- Introduction of innovative products based on specific customer needs;
- Investment in colleague capabilities with an emphasis on developing leadership and entrepreneurial potential;
- Simplified and transparent pricing;
- Improved access through new and existing channels with a focus on optimisation of our infrastructure investment;
- Process and operational efficiencies;
- Digitisation of channels for customer self-service and convenience; and
- Enhancement of control processes.

RBB – Business Banking South Africa

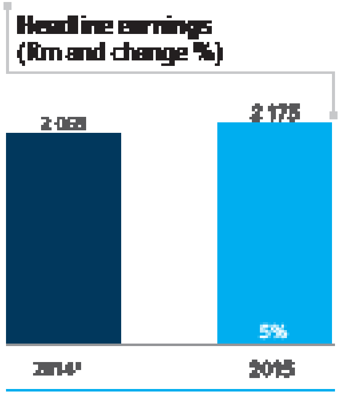
for the reporting period ended 31 December

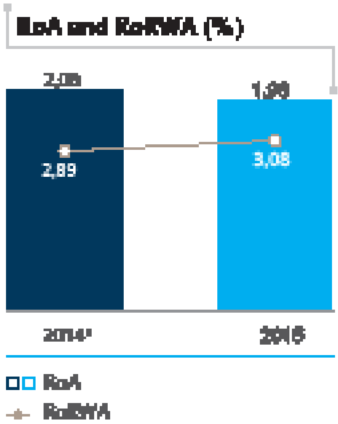
Highlights

- Headline earnings increased 5% to R2 175m driven by continued improvement in the underlying business with 5% growth in non-interest income.
- Cheque account fee income and electronic banking fee income growth of 14% and 10% respectively.
- Gross loans and advances to customers, excluding CPF, increased by 7% with strong growth in term and agri loans of 15% and 9% respectively.
- Deposits due to customers grew by 9% to R110bn, mainly driven by strong growth in investment products and fixed deposits.
- RoRWA improved from 2,89% to 3,08%.

Challenges

- The CPF book declined by 2%, in spite of a 28% increase in new payouts.
- Pressure on both advance and deposit margins, with the reduction in the overall deposit margin impacted by customers migrating to lower-margin deposit products.
- Transactional revenue impacted by customer migration to cash centres and digital channels.
- Continued decline in cheque payment volumes in line with industry trends.
- Decrease in cash-related transactional income following a reclassification of cash-handling device-related costs to non-interest income.
- Customer attrition, albeit at a reducing rate.
- Headline earnings momentum in the second half of the year has slowed down.





Salient features	**2015**	2014[1]	Change %
Revenue (Rm)	**9 090**	8 804	3
Attributable earnings (Rm)	**2 142**	2 086	3
Headline earnings (Rm)	**2 175**	2 069	5
Credit loss ratio (%)	**0,87**	0,87	
Cost-to-income ratio (%)	**59,9**	59,6	
RoRWA (%)	**3,08**	2,89	
RoA (%)	**1,98**	2,08	

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

This page has been left blank intentionally

RBB – Business Banking South Africa

for the reporting period ended 31 December

	Business Banking (excluding Equities)		
	2015	2014[1]	Change %
Statement of comprehensive income (Rm)			
Net interest income	**5 846**	5 710	2
Non-interest income	**3 117**	2 923	7
Total income	**8 963**	8 633	4
Impairment losses on loans and advances	**(548)**	(528)	4
Operating expenses	**(5 223)**	(5 032)	4
Other	**(30)**	(43)	(30)
Operating profit before income tax	**3 162**	3 030	4
Taxation expense	**(886)**	(848)	4
Profit for the reporting period	**2 276**	2 182	4
Profit attributable to:			
Ordinary equity holders	**2 230**	2 135	4
Non-controlling interest – ordinary shares	**—**	—	—
Non-controlling interest – preference shares	**46**	47	(2)
	2 276	2 182	4
Headline earnings	**2 230**	2 135	4
Operating performance (%)			
Credit loss ratio	**0,87**	0,87	
Non-interest income as percentage of revenue	**34,78**	33,9	
Revenue growth	**4**	5	0
Cost growth	**4**	6	0
Cost-to-income ratio	**58,27**	58,3	0
Statement of financial position (Rm)			
Loans and advances to customers	**63 545**	61 065	4
Investment securities	**9 573**	8 872	8
Other assets	**40 251**	34 105	18
Total assets	**113 369**	104 042	9
Deposits due to customers	**110 096**	100 948	9
Debt securities in issue	**—**	—	—
Other liabilities	**1 002**	960	4
Total liabilities	**111 098**	101 908	9
Financial performance (%)			
RoRWA	**3,42**	3,26	
RoA	**2,08**	2,21	

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] Included in 'non-interest income" is positive fair value adjustments relating to investment properties of **R34m** (2014: R10m) and equity investments of **R18m** (2014: negative R33m).

[3] A portion of negative fair value adjustments relating to investment properties and inventories to the amount of **R102m** (2014: R84m) is included in operating expenses for CPF equities.

Business Banking Equities			Total Business Banking South Africa		
2015	2014[1]	Change %	**2015**	2014[1]	Change %
(92)	(72)	28	**5 754**	5 638	2
219[2]	243[2]	(10)	**3 336**	3 166	5
127	171	(26)	**9 090**	8 804	3
0	—	>100	**(548)**	(528)	4
(218)[3]	(216)[3]	1	**(5 441)**	(5 248)	4
(13)	(3)	>100	**(43)**	(46)	(7)
(104)	(48)	>100	**3 058**	2 982	3
19	4	>100	**(867)**	(844)	3
(85)	(44)	93	**2 191**	2 138	2
(88)	(49)	80	**2 142**	2 086	3
—	—	—	**—**	—	—
3	5	(40)	**49**	52	(6)
(85)	(44)	93	**2 191**	2 138	2
(55)	(66)	(17)	**2 175**	2 069	5
n/a	n/a		**0,87**	0,87	
n/a	n/a		**36,70**	36,0	
(26)	138		**3,25**	6	
1	(2)		**4**	6	
n/a	n/a		**59,9**	59,6	
—	—	—	**63 545**	61 065	4
650	819	(21)	**10 223**	9 691	5
2 350	1 675	40	**42 601**	35 780	19
3 000	2 494	20	**116 369**	106 536	9
—	—	—	**110 096**	100 948	9
—	—	—	**—**	—	—
2 899	2 361	23	**3 901**	3 321	17
2 899	2 361	23	**113 997**	104 269	9
n/a	n/a		**3,08**	2,89	
(1,91)	(2,22)		**1,98**	2,08	

RBB – Business Banking South Africa

for the reporting period ended 31 December

Business profile

Business Banking South Africa strives to put world-class banking solutions within the reach of every business in its targeted markets. This means putting the customer at the centre of everything we do, and will be achieved through superior customer service and by providing holistic solutions based on unique customer needs.

The journey entails investment in people, digitisation of customer solutions and improvement in customer service as measured through customer satisfaction scores.

Business Banking South Africa operates a well-defined coverage model based on specific customer value propositions. These value propositions align to customer needs and range from direct interactions via multi-channel interfaces such as electronic banking through to a dedicated relationship-based model.

Customers within the enterprise segment, with an annual turnover of up to R20m, are serviced using a direct coverage model with a predominately branch-based service interface.

Customers in the commercial segment, with an annual turnover of between R20m and R500m, are serviced using a relationship-based model, where dedicated sales and service teams provide customised solutions. The relationship-based model includes a sector overlay focusing on the primary sectors of agriculture, public sector, wholesale, retail and franchising.

Key business areas

Business Banking South Africa offers a diverse range of products based on customers' needs:

- **Debt products** – CPF, term loans, agricultural loans, overdrafts and overnight finance. Fees earned from debt products include upfront structuring, restructuring, commitment and transactional fees.
- **Deposit products** – transactional deposits (including cheque, and savings and transmission deposits) and investment deposits (including investment products, fixed, call and notice deposits).
- **Transactional products** – electronic banking (internet and mobile), cheque and savings accounts as well as cash-related (cash-related transactions include cash deposits and withdrawals, cardless cash deposits and automated cash-handling devices).
- **Equities** – investment portfolio in property and unlisted equities.

An organisational structure change took place during the current reporting period impacting the reporting structure of Business Banking South Africa:

- **SIDs** (Sustainable Integrated Residential Developments), previously reported in the Retail Banking South Africa segment within Home Loans with a portfolio of R134m, was transferred to Business Banking South Africa and integrated from the beginning of the current reporting period.

Financial performance

Business Banking South Africa's headline earnings increased by 5% to **R2 175m** (2014: R2 069m), mainly due to 5% growth in non-interest income, 2% increase in net interest income and 4% increase in operating expenses.

Net interest income growth reflected pressure on both advance and deposit margins. Advance margins reduced on the back of competitor and funding pressures while deposit margins were largely impacted by a change in the product mix.

The 5% increase in non-interest income to **R3 336m** (2014: R3 166m) was primarily driven by a 14% growth in cheque account fee income and a 10% growth in electronic banking fee income. This growth was partly offset by a continued decline in cheque payment volumes in line with industry trends and 3% decrease in cash-related transactional income, impacted by the reclassification in the current reporting period of cash-handling device-related costs to non-interest income. Excluding this reclassification, non-interest income increased by 8% while cash-related transactional income increased by 2%.

Although credit impairments increased by 4% to **R548m** (2014: R528m) largely driven by the commercial portfolio, the credit loss ratio remained in line with the prior reporting period at 0,87%. Impairments held against performing loans increased by 7% to **R664m** (2014: R622m) resulting in a marginal increase in the performing loan coverage ratio to **1,07%** (2014: 1,05%), mostly evident in the commercial portfolio. NPLs continued to improve, decreasing by 16% to **R3 306m** (2014: R3 925m), particularly in CPF, which reflected a 25% decrease. The NPLs' coverage ratio reduced to **34,7%** (2014: 35,8%), largely due to a reduction in new defaults and an increase in the resolution of older default exposures, with the larger impact evident in the CPF book.

In spite of inflationary pressures and increased investment in relationship managers, operating expense growth was contained at 4% to **R5 441m** (2014: R5 248m). Cost benefits were derived from the branch network driven by internal cost-efficiencies and lower volumes due to the migration of transactions out of branches.

Gross loans and advances to customers grew by 4%. Solid growth was achieved in term loans and agri loans of 15% and 9% respectively, while the CPF book decreased by 2%. The focus for sustainable growth remains on improving the rate of conversion of leads into deals. The deposit book grew 9% largely driven by a 16% increase in investment deposits coupled with a 2% increase in transactional deposits.

Progress in the long-term orderly reduction of the Equity portfolio was made through planned realisations. The overall portfolio size, however, remained broadly in line with the prior reporting period at **R2 148m** (2014: R2 183m) due to the impact of the transfer in of SIDs and foreign exchange movements. Excluding these impacts the portfolio reduced by 11% to R1 935m.

Operating environment

The following factors had a key influence on Business Banking:

- Global economic growth slipped in 2015 to 3,1% as low inflation and a somewhat stronger performance among many advanced economies was not sufficient to offset a slowing China and a deeper emerging markets malaise. Commodity prices fell further on weaker demand and a limited response in supply. The US Fed raised interest rates for the first time since 2006, while in Japan and the Euro Union fiscal policy was eased during the year responding to very low inflation and weaker economic recoveries. Higher US policy rates and this monetary policy divergence across major economies had a profound impact on global markets.
- Domestically, 2015 was a very challenging year for the economy, with the full-year GDP slipping below 1,5% to 1,3%. Further commodity price drops impacted production and investment in the mining sector. Acute electricity shortages damaged both actual output across sectors and broad business/consumer sentiment.
- The SARB was forced to navigate a difficult balance between a very weak economy and modest levels of inflation while also witnessing a sharp fall in the value of the rand and a rise in global risk aversion. Two interest rate hikes, totalling 50bps, were announced during H2, with a clear signal from the Monetary Policy Committee that more is to come even in the face of the weak economic outlook.
- Transactional income remains impacted by the industry-wide practice to reduce the utilisation of cheques, and the behaviour of customers to migrate from traditional branches to cash centres and digital transacting platforms.

RBB – Business Banking South Africa

for the reporting period ended 31 December

Business performance

Business Banking South Africa remains committed to providing relevant solutions to customers' needs and improving operational effectiveness to retain existing and attract new customers. Enhanced electronic banking solutions combined with an overall digitisation strategy remain key to customer growth.

The bank was awarded 'Best SME Bank' in South Africa by Capital Finance International, illustrating Business Banking's ambition to put the customer at the centre of everything we do.

Momentum is evident through:

- Refinement of both the electronic sales platform and automated credit-scoring system.
- Development of an instant business account opening process via self-service digital channels.
- Launch of an initiative that focuses on post on-boarding customer relationships.
- Focus on the enhancement of our self-service cash product offering.

The overall number of customers decreased by 1,7% to **372 746** (2014: 379 243), mainly in the enterprise segment while the commercial segment's rate of attrition stabilised. Although the number of customers continued to decline, the rate of decline is slower than during the prior reporting period (2,0%).

Debt products

Total debt products grew by 4% to R65 358m, driven by growth of 15% and 9% in term loans and agri loans respectively, while the CPF book declined by 2%. Excluding CPF, debt products increased by 7% which, when compared with 2014's growth performance of 6%, is further evidence of continued momentum in Business Banking South Africa. This growth was achieved without any significant changes to the risk appetite with risk parameters being continuously monitored.

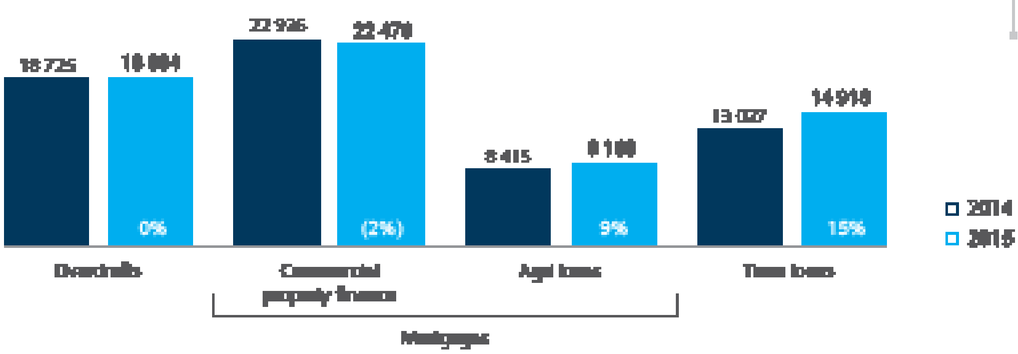
Term loans grew 15% as a result of the momentum from an improved operating model, a dedicated sales force focused on acquisition and the extension of loans to targeted segments.

Agriculture loans demonstrated strong performance growing at 9% compared with the 5% growth in the prior reporting period. Since March 2015, Agri customers affected by drought have proactively been engaged with in an effort to support and assist them in managing their risk. The agri book remains well diversified which further helps to absorb any financial risks emanating from the ongoing drought.

Overdrafts remained unchanged compared to the prior reporting period. Focus on new sales and effective utilisation of overdraft limits remain a business imperative.

CPF loans and advances, which constitute 34% of the total loans and advances portfolio, decreased by 2%, largely due to significant repayments and early settlements. In spite of ending the year 2% lower, this compares favourably to the 9% decline in the prior reporting period as various strategies have been implemented to drive engagement with customers. Traction is evident as payouts are 28% higher when compared to the prior reporting period. These payouts stem primarily from within the existing customer base and have originated without any revision to the existing risk parameters.

Gross loans and advances (Rm and change %)



Business performance *(continued)*

Deposit products

Deposit products continued to reflect strong growth of 9%, largely driven by 16% growth in investment deposits and 2% growth in transactional deposits.

Demand for liquidity remained high in a competitive market which continued to place pressure on margins. While the margins have increased at a product level, the change in composition of the portfolio to lower-yielding investment deposits placed additional pressure on overall margins. Continued market volatility and uncertainty in global markets have contributed to this composition shift.

Transactional deposits

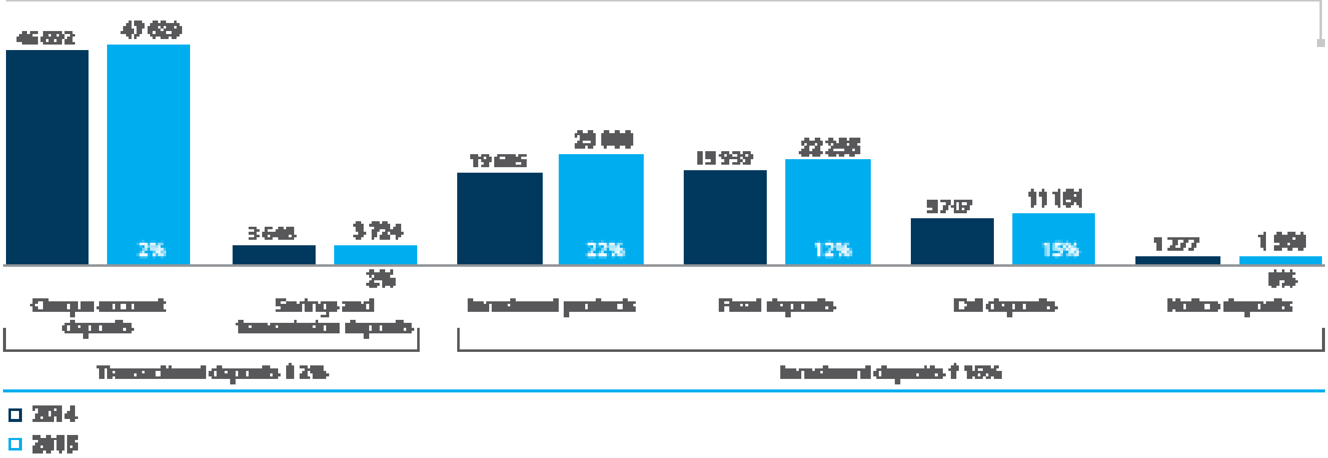
Transactional deposits grew 2% reflecting the migration to lower-yielding investment products and customer attrition impacting overall growth.

Investment deposits

Investment products, primarily Liquidity Plus (launched October 2014), continued its strong growth. Liquidity Plus and Depositor Plus combined reflect growth of 22% to **R24,0bn** (2014: R19,7bn).

Fixed and call deposits reflected strong growth of 12% to **R22,3bn** (2014: R19,9bn) and 15% to **R11,2bn** (2014: R9,7bn) respectively.

Deposits (Rm and change %)



RBB – Business Banking South Africa

for the reporting period ended 31 December

Business performance *(continued)*

Transactional products

Net fee and commission income, which represents 93% of non-interest income, increased by 5% to **R3 119m** (2014: R2 965m) through growth in cheque account and electronic banking fee income, while cash-related transactional income decreased. During the year, cash-handling device-related costs were reallocated to net fee and commission income. Excluding this reclassification, non-interest income increased by 8%.

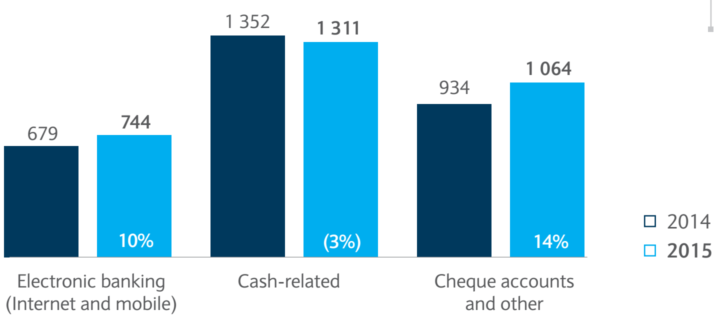
Cheque account fee income continued the growth momentum from the prior reporting period and increased by 14% mainly through the closure of a number of revenue leakage gaps, partly offset by an 11% decrease in fee income on debit orders, through tactical pricing decisions, and a 21% decline in cheque payment volumes in line with industry trends. The business continued to focus on delivering sustainable solutions and competitive pricing across the transactional franchise.

Electronic banking fee income grew by 10% due to higher utilisation and price increases. The largest contributor to this growth stems from customers paying their own defined beneficiaries and the increased use of the "immediate payment" option.

Cash-related transactional income decreased by 3%, largely due to a reclassification of cash-handling device-related costs to net fee and commission income. Excluding this reclassification, cash-related transactional income increased by 2%, driven by growth in cardless deposits through the use of cash-accepting devices as well as the increased use of automated cash-handling devices.

Enhanced digital functionalities such as cardless deposits and electronic banking platforms have provided customers with alternative ways to transact, thereby strengthening the electronic customer value proposition. While these enhancements have impacted revenue growth, the migration of transactions to more affordable and convenient channels has resulted in cost-efficiencies in traditional channels.

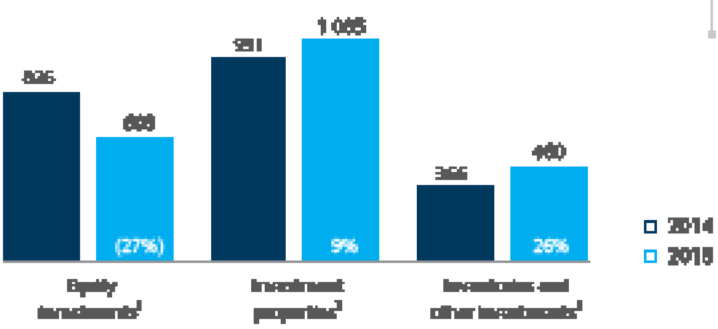
Net fee and commission income (Rm and change %)



Equities

Financial performance was adversely impacted by provisions raised to proactively reposition the portfolio given the current economic outlook, as well as increased funding costs. Progress in the long-term orderly reduction of the Equity portfolio was made through planned realisations. The overall portfolio size, however, remained broadly in line with the prior reporting period at **R2 148m** (2014: R2 183m) due to the impact of the transfer in of SIDs from Retail Banking South Africa and foreign exchange movements. Excluding this impact the book reduced by 11% to R1 935m.

Equities – including equity investments, investment properties, inventories and other investments (Rm and change %)



Notes

1 Certain equity investments of **R15m** (2014: R54m) as well as investment properties of **Rnil** (2014: R242m), have been classified as non-current assets held for sale.

2 Included in "non-interest income" is positive fair value adjustments relating to investment properties of **R34m** (2014: R10m) and equity investments of **R18m** (2014: negative R33m).

3 A portion of negative fair value adjustments relating to investment properties and inventories to the amount of **R102m** (2014: R84m) is included in operating expenses for CPF equities.

Looking ahead

Business Banking South Africa's ambition is to place world-class banking solutions within the reach of every business in its targeted market. The business remains deposit-led and transactionally solutioned with the drive to retain the current customer base and attract new customers while increasing the depth and primacy of customer relationships. Business continues to build on the existing momentum created with specific focus on:

- **Service excellence**
  - Increased focus on improving customer experience, as measured through NPS®[1].
  - Focus on a competitive product offering in the agriculture sector.
  - Continue on the journey towards an improved credit-decision process enabling quicker credit cycle turnaround times.
  - Introducing a focused call centre capability and electronic mediums to enhance customer service by assisting in the transition process for new customers and creating capacity to service customer growth.
- **Customer propositions including digitisation**
  - Further refinement of the electronic sales platform initiative which creates a single interface for all other digital channels and business banking systems.
  - Increased focus on managing the end-to-end cash value chain optimally and providing improved customer solutions and service.
  - Optimise the offering of insurance products to the customer base and increasing the penetration of insurance products.
  - Focus on creating a customer-centric culture through value-added offerings available via digital channels.
- **People**
  - Continue the investment in relationship managers' skills and proficiency, which includes core capability-building programmes to embed a better approach to customer relationships.

Note

® Net Promoter, Net Promoter Score and NPS are trademarks of Satmetrixs Systems Inc., Bain and Co Inc. and Fred Reichheld.

RBB – Rest of Africa

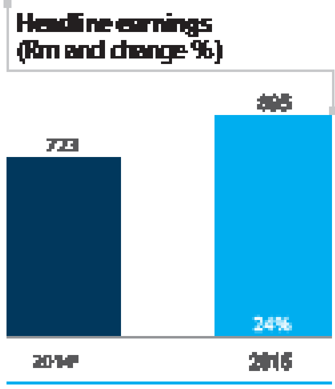
for the reporting period ended 31 December

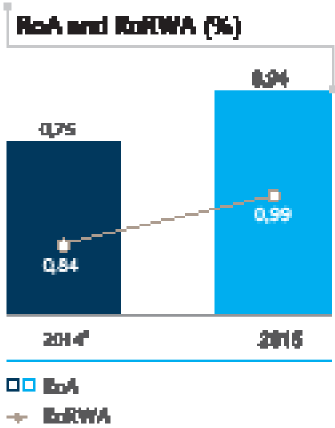
Highlights

- Strong headline earnings growth of 24% driving an improved Return on average risk-weighted assets of **0,99%** (2014: 0,84%).
- Non-interest income growth of 21% largely from a strong Card performance and higher FX sales.
- Improved cost-to-income ratio of **69,3%** (2014: 73,1%) driven by positive Jaws of 5%.
- Operating expenses growth of 7% in spite of inflationary pressures and one-off restructuring costs.
- Solid balance sheet growth, with loans and advances to customers and deposits due to customers growing by 26% and 20% respectively, 14% and 6% respectively excluding the impact of foreign exchange translations.
- Growth in commercial loans of 22% excluding the impact of foreign exchange translations.
- The Asian Banker named NBC the "Best Retail Bank in Tanzania" and our Group Savings Account in Kenya, 'Zidisha', the "Best Deposit product in Africa".
- Consumer NPS® improved to **38** (2014:15).

Challenges

- A 21% increase in impairments resulting in an increase in the credit loss ratio to **2,07%** (2014: 1,95%).
- Emerging liquidity constraints in some markets resulting from dynamic country-specific monetary policy actions.
- Regulatory impacts in some markets, including Central Bank regulations on fee pricing.
- Currency exchange rate volatility in most of the markets we operate in.
- Increased competition from local banks.





Salient features	2015	2014[1]	C%	FX%	Change %
Revenue (Rm)	**8 869**	7 893	11	1	12
Attributable earnings (Rm)	**895**	718	18	6	24
Headline earnings (Rm)	**895**	723	17	7	24
Credit loss ratio (%)	**2,07**	1,95			
Cost-to-income ratio (%)	**69,3**	73,1			
RoRWA (%)	**0,99**	0,84			
RoA (%)	**0,94**	0,75			

Notes

® Net Promoter, Net Promoter Score and NPS are trademarks of Satmetrixs Systems Inc., Bain and Co Inc. and Fred Reichheld.

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

RBB – Rest of Africa
for the reporting period ended 31 December

	Total RBB Rest of Africa				
	2015	2014[1]	C%	FX%	Change %
Statement of comprehensive income (Rm)					
Net interest income	**6 249**	5 736	8	1	9
Non-interest income	**2 620**	2 157	20	1	21
Total income	**8 869**	7 893	11	1	12
Impairment losses on loans and advances	**(777)**	(641)	20	1	21
Operating expenses	**(6 143)**	(5 766)	7	(0)	7
Other	**(112)**	(50)	>100	0	>100
Operating profit before income tax	**1 837**	1 436	24	4	28
Taxation expense	**(617)**	(456)	35	0	35
Profit for the reporting period	**1 220**	980	18	6	24
Profit attributable to:					
Ordinary equity holders	**895**	718	18	6	24
Non-controlling interest – ordinary shares	**325**	262	17	7	24
Non-controlling interest – preference shares	**—**	—	—	—	—
	1 220	980	18	6	24
Headline earnings	**895**	723	17	7	24
Operating performance (%)					
Net interest margin on average interest-bearing assets	**9,36**	9,38			
Credit loss ratio	**2,07**	1,95			
Non-interest income as percentage of revenue	**29,5**	27,3			
Revenue growth	**12**	1			
Cost growth	**7**	10			
Cost-to-income ratio	**69,3**	73,1			
Statement of financial position (Rm)					
Loans and advances to customers	**45 213**	35 812	14	12	26
Investment securities	**19 084**	15 957	3	17	20
Other assets	**54 030**	43 000	8	18	26
Total assets	**118 327**	94 769	9	16	25
Deposits due to customers	**68 736**	57 206	6	14	20
Debt securities in issue	**493**	880	(51)	7	(44)
Other liabilities	**33 820**	25 476	13	20	33
Total liabilities	**103 049**	83 562	7	16	23

Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

RBB – Rest of Africa
for the reporting period ended 31 December

Business profile

RBB Rest of Africa offers a comprehensive suite of retail and business banking products and services to individual and commercial customers on the African continent outside of South Africa. A range of solutions are provided to meet customers' transactional, borrowing, savings, protection and payments needs. This is facilitated through branch and self-service terminal networks, electronic and mobile telephone channels and a dedicated relationship-based model. This is achieved within a well-defined coverage model based on specific customer value propositions. These businesses operate under the Barclays brand, except for National Bank of Commerce (Tanzania) and the Representative Office in Namibia.

Key product/segment areas

- **Premier banking:** Represents the affluent retail customer sector bespoke to each market, being offered exclusive banking through dedicated relationship managers and Premier suites, with tailor-made solutions.
- **Prestige banking:** Represents the emerging affluent retail customer sector bespoke to each market, being offered dedicated banking teams, affordable products and express service.
- **Personal banking:** Represents the middle-market sector bespoke to each market, being offered convenient banking solutions.
- **Enterprise banking:** Business clients with an annual turnover of up to R50m, being serviced using a direct coverage model with a predominately branch-based service interface.
- **Commercial banking:** Business clients with an annual turnover of between R50m and R250m, being serviced using a relationship-based model, where dedicated sales and service teams provide customised solutions.

Commercial and enterprise banking include a sector overlay focusing on the primary sectors of agriculture, construction, manufacturing, transport and logistics, retail, franchising and other significant sectors specific to each market.

Key business areas

A range of products consisting of secured loans, unsecured loans and customer deposits are offered to customers, who are served through the following businesses:

- Barclays Bank of Kenya
- Barclays Bank of Botswana
- Barclays Bank of Ghana
- Barclays Bank Zambia
- National Bank of Commerce (Tanzania)
- Barclays Bank Mozambique
- Barclays Bank Uganda
- Barclays Bank Mauritius
- Barclays Bank of Tanzania
- Barclays Bank Seychelles
- Namibia – Representative office

Financial performance

The business delivered a strong financial performance, with headline earnings growth of 24% to **R895m** (2014: R723m) including the impact of foreign exchange translations. Operating profit before tax grew by 28% to **R1 837m** (2014: R1 436m), from positive Jaws. This strong performance was achieved mainly on the back of increased efficiency, increased focus on customers through the Customer Lifecycle Management strategy, an improved suite of product and service offerings, increased usage of digital channels, continued successes in the commercial sector and streamlined processes designed to improve turnaround time.

Growth in net interest income of 9% is lower than balance sheet growth driven by liquidity constraints in some markets resulting from certain country-specific monetary policy actions and increased competition from local players in terms of increased risk appetite and more competitive pricing strategies.

Strong growth of 14%, excluding the impact of foreign exchange translations, was recorded in loans and advances to customers, with credit cards, mortgages and personal loans contributing most of this growth. Credit card growth was achieved from entry into four additional markets in the prior year, resulting in a 15% year-on-year growth in the number of credit card accounts. Mortgage and Personal loan growth was driven by the establishment of mortgage centres and the implementation of targeted client segment strategies in selected markets where loan sizes are significant enough and risk levels acceptable. Enhanced operating models and strategies with increased customer engagement and life-cycle management yielded incremental loan sales and timely top-ups. Commercial loans exhibited strong growth of 22% through increased focus on trade and working capital products as well as the realisation of opportunities in the agricultural sector.

Financial performance *(continued)*

Deposits grew by 6%, excluding the impact of foreign exchange translations, given liquidity constraints in some markets and increased competition. Current and savings account portfolios continued to be the driver of growth across most markets, with an 8% year on year growth in the number of current and savings accounts.

Non-interest income improved by 21% to **R2 620m** (2014: R2 157m), driven by higher transaction volumes, with the card business showing robust growth in card-acquiring turnover and a solid increase in transaction volumes. An increase in FX sales also contributed positively to the overall growth in non-interest income. Regulatory impacts, including Central Bank regulations on fee pricing, somewhat moderated this growth.

Following strong recoveries in the prior year, credit impairments increased 21% to **R777m** (2014: R641m), resulting in a credit loss ratio of **2,07%** (2014: 1,95%). The increase in credit impairments was also driven by the deteriorating economic environment in certain markets, leading to an increase in identified impairments. The increase was partially offset by good collection and recovery strategies.

Operating expenses increased by 7% to **R6 143m** (2014: R5 766m), which is below the average inflation rates of the underlying markets. This low cost growth was achieved through key cost-saving initiatives and operational efficiencies, in spite of inflationary pressures, restructuring costs incurred and key investments made to grow the business.

Operating environment

The operating environment for 2015 remained promising, confirming its healthy resilience to internal and external shocks. Demand for borrowings remained positive across the continent and most of the economies we operate in showed steady growth. Some headwinds were present in the operating environment, including:

- Security concerns impacting particularly the tourism sector;
- Adverse weather conditions affecting the agricultural sector;
- Weak commodity prices;
- Weakened global demand; and
- Tight policy stances impacting inflation and interest rates.

Other aspects of the operating environment impacting the business:

- Regulatory changes, including a 400 bps increase of the statutory reserve ratio in Zambia;
- Liquidity tightening in various markets;
- Inflationary pressures, with particularly high inflation in Ghana and Zambia;
- A slowdown in transactional activity in some markets;
- Increased competition from local and international banks in a number of markets; and
- Changing interest rate environments across various markets.

Business performance

Underlying business performance continued to show good growth with robust increases in loan and current account sales.

Significant progress has been made on the strategic priorities that were set out at the end of 2014 while tactical programmes were executed to enhance the customer service model and optimise the cost to serve to ultimately improve customer experience. Some key highlights include:

- Continued optimisation of the branch network to serve customers more economically and efficiently. We have redesigned and streamlined many key processes in order to reduce turnaround times and promote an improved customer experience.
- Delivery of "Paperless Banking" continued across branches in Zambia, Botswana, Tanzania, Kenya, NBC and Ghana. This initiative assists with moving towards improved levels of digitisation with safer and more secure methods of customer identification and verification. In addition it significantly reduces the need for manual and paper-intensive operations, thereby improving efficiency and speed of execution to the benefit of customers.
- ATMs available 24 hours all year round, with increased functionalities such as cash acceptance, bill payments and Cash Send now available in all markets, except for Seychelles. This further strengthened customer convenience and the self-service enablement capability.
- Sustained the digital strategy through the increased promotion of internet banking and other digital solutions, with biller transaction usage growing exponentially during the year. This added to the efficient use of existing channels and provided customers with more convenient banking capabilities.
- "Cash Send" on ATMs is a functionality that allows the ability to withdraw cash through any Barclays ATMs without having to present a bank ATM card or having to hold a bank account. Botswana and Kenya have added the functionality of using "Cash Send" via a mobile phone to send money to those without a bank account.
- "Service Guarantees" to customers have been launched in Zambia, Tanzania and Uganda. These warrant a certain minimum level of performance on selected services to customers.
- The introduction of an automated Identification & Verification system (ID&V) across nine markets. This solution identifies the customer using his debit card, making transacting quicker, easier and safer.

RBB – Rest of Africa
for the reporting period ended 31 December

Business performance *(continued)*

Continued to develop propositions through delivery and enhancement of tailor-made solutions for customers, including:

- Credit and debit cards with Worldmiles benefits have been further enhanced by the launch of the Worldmiles Online Travel Portal, which allows for online redemption thereof.
- Remote Account Opening, which enables the opening of an account via an iPad at a remote location, has gained momentum across Ghana, Botswana, Mauritius, Zambia and Kenya.
- Customers in Seychelles and Zambia are now able to withdraw money via a POS terminal. This is a first to the market in Seychelles.
- Contract lending for expats launched in Uganda.
- A self-employed lending policy was approved in Kenya, Mauritius and Botswana.
- Deposit products have been enhanced by launching Unfixed Deposits and Upfront Fixed Deposits in some markets.
- Zambia launched prepaid cards and an exclusive proposition for the youth, which is unique to the market.

Business banking continued to take advantage of collaborative opportunities to build on successes across segments and initiatives, including:

- Retail shared distribution model which helps to transform the branch network from a retail-focused sales and service orientation to an all-inclusive retail and business banking capability. The model will ensure that the needs of business banking clients are met in the branch network.
- Corporate and Investment Banking customer value chain utilisation, whereby opportunities were unlocked with key suppliers and distributors of these specific clients.
- The “My Shoes Are My Office” initiative which has seen colleagues across the organisation mobilised to spend time with clients at their offices. Since the inception of this initiative, it has gone from strength to strength and has been successfully implemented in four markets. This initiative has had the following benefits since inception:
  - Increased visibility to the market and demonstrating a commitment to becoming the Bank of choice in Africa;
  - Improvement of customer service levels;
  - Enhancement of customer relationships through the introduction to senior leadership;
  - Deepening the understanding of customer needs and taking time to engage and listen to customers;
  - An opportunity to share the Bank’s vision with customers, thereby increasing market engagement; and
  - Growth of pipeline and new customer acquisition.

Looking ahead

RBB Rest of Africa’s focus remains on making customers’ lives easier, continuing to refresh core customer value propositions for targeted segments and revamping customer solutions. The strategy focuses on:

- Tactical Customer Lifecycle Management. This is the approach adopted to further improve the quality of new to franchise customer acquisition and deepen the relationship with existing customers;
- Enhanced digital solutions with a focus on mobile solutions;
- Talent mobility. Launch of a unique talent mobility programme which identifies talented individuals and gives them the opportunity to participate in a short-term assignment in another country;
- Optimised branch operating model. Continue to build fit-for-purpose branches to ensure we are optimally positioned to serve our customers and reduce service costs;
- Delivering a multi-channel franchise through the launch of digital products, ATM enhancements and self-service kiosks;
- Accelerating customer adoption of new banking models through the ‘Digital Eagles’ programme;
- Continuing to enhance and deliver world-class customer solutions with a particular focus on the transactional and borrowing needs of customers;
- Targeting Corporate and Investment Banking customer value chain opportunities;
- Continuing to embed and enhance the sector focus approach in commercial and enterprise banking;
- Migration of commercial customer transactions to Barclays.Net, an online banking platform for cash management, by leveraging off the successes achieved in South Africa; and
- Continuing to focus on broadening business banking propositions given the current low level of penetration and the large potential which exists.

CIB
for the reporting period ended 31 December

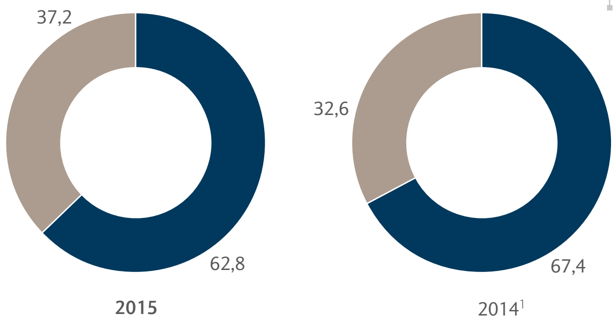
Highlights

- Corporate SA strategy on track with revenues up 11% to R3 975m.
- Rest of Africa headline earnings increased by 20% and now contributes 37% of overall headline earnings.
- Private Equity portfolio reduced by 17% to R2,4bn.
- Strong growth in long-term customer advances of 27%.
- Growth in Prime Services customer numbers and improved Equity research contributed to a 21% increase in Equities and Prime revenues to R696m.

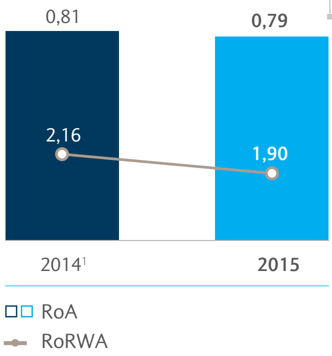
Challenges

- SA Fixed income, Currency and Commodities ("FICC") business down 21% to R1 922m due to reduced client flows, compressed margins and a challenging trading environment.
- Impairments increased by >100% to R793m with increased charges in both SA and rest of Africa.
- Costs increased 9% reflecting greater investments in systems and the effect of a weaker rand on the translation of rest of Africa costs.

Headline earnings contribution (%)



RoA and RoRWA (%)



Salient features	2015	2014[1]	Change %
Net revenue (Rm)	12 971	12 531	4
Headline earnings (Rm)	3 940	3 734	6
Cost-to-income ratio (%)	54,0	53,3	
Credit loss ratio	0,44	0,16	
RoRC (%)	17,1	19,5	
RoRWA[1] (%)	1,90	2,16	
RoA (%)	0,79	0,81	

Note
[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

CIB

for the reporting period ended 31 December

	Corporate		
	2015	2014[1]	Change %
Statement of comprehensive income (Rm)			
Net interest income	**5 619**	4 848	16
Non-interest income	**1 759**	1 782	(1)
Total income	**7 378**	6 630	11
Impairment losses on loans and advances	**(508)**	(130)	>100
Operating expenses	**(3 903)**	(3 678)	6
Other	**(41)**	(55)	(25)
Operating profit before income tax	**2 926**	2 767	6
Taxation expense	**(778)**	(829)	(6)
Profit for the reporting period	**2 148**	1 938	11
Profit attributable to:			
Ordinary equity holders	**1 964**	1 783	10
Non-controlling interest – ordinary shares	**143**	124	15
Non-controlling interest – preference shares	**41**	31	32
	2 148	1 938	11
Headline earnings	**1 965**	1 700	16
Operating performance (%)			
Net interest margin on average interest-bearing assets	**2,69**	2,52	
Credit loss ratio	**0,53**	0,15	
Non-interest income as percentage of revenue	**23,8**	26,9	
Revenue growth	**11**	15	
Cost growth	**6**	8	
Cost-to-income ratio	**52,9**	55,5	
Statement of financial position (Rm)			
Loans and advances to customers	**109 844**	95 126	15
Investment securities	**4 262**	2 793	53
Other assets	**120 031**	118 858	1
Total assets	**234 137**	216 777	8
Deposits due to customers	**212 254**	197 590	7
Debt securities in issue	**10**	261	(96)
Other liabilities	**17 017**	12 836	33
Total liabilities	**229 281**	210 687	9
Financial performance (%)			
RoRWA	**2,12**	2,05	
RoA	**0,91**	0,86	

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

CIB
for the reporting period ended 31 December

Investment Bank			Total CIB		
2015	2014[1]	Change %	**2015**	2014[1]	Change %
2 219	1 429	55	**7 838**	6 277	25
4 167	4 720	(12)	**5 926**	6 502	(9)
6 386	6 149	4	**13 764**	12 779	8
(285)	(118)	>100	**(793)**	(248)	>100
(3 533)	(3 132)	13	**(7 436)**	(6 810)	9
(107)	(55)	95	**(148)**	(110)	35
2 461	2 844	(13)	**5 387**	5 611	(4)
(367)	(694)	(47)	**(1 145)**	(1 523)	(25)
2 094	2 150	(3)	**4 242**	4 088	4
1 976	2 034	(3)	**3 940**	3 817	3
52	47	9	**195**	171	13
66	69	(4)	**107**	100	7
2 094	2 150	(3)	**4 242**	4 088	4
1 975	2 034	(3)	**3 940**	3 734	6
1,72	1,06		**2,32**	1,92	
0,33	0,17		**0,44**	0,16	
65,3	76,8		**43,1**	50,9	
4	8		**8**	12	
13	5		**9**	6	
55,3	50,9		**54,0**	53,3	
103 781	70 225	48	**213 625**	165 351	29
15 864	13 111	21	**20 126**	15 904	27
223 519	177 416	26	**343 550**	296 274	16
343 164	260 752	32	**577 301**	477 529	21
29 435	30 106	(2)	**241 689**	227 696	6
16 391	11 284	45	**16 401**	11 545	42
290 955	214 412	36	**307 972**	227 248	36
336 781	255 802	32	**566 062**	466 489	21
1,73	2,27		**1,90**	2,16	
0,69	0,78		**0,79**	0,81	

CIB

for the reporting period ended 31 December

Business profile

CIB structures innovative solutions to meet clients' needs by delivering specialist investment banking, corporate banking, financing, risk management and advisory solutions. CIB deals with a variety of clients across industry sectors such as corporates, financial institutions and public sector bodies. Combining the global product knowledge of Barclays with regional expertise and an extensive, well-established local presence, CIB's goal is to build not only a sustainable, trustworthy business, but also a business that helps clients achieve their ambitions in the right way.

Key business areas

- **Investment Bank comprising:**
  - **Markets** – engages in trading, sales and research activities across all major asset classes and products in Africa, pricing, hedging and risk management capabilities to both corporate and institutional clients.
  - **Banking** (Investment Banking has been renamed as Banking in this reporting period) – structures innovative solutions delivering to meet clients' strategic advisory, financing and risk management requirements across industry sectors.
  - **Private Equity and Infrastructure Investments** – Private Equity and Infrastructure Investments traditionally acted as a principal by investing in unlisted equity exposures and in entities focused on infrastructure development in sub-Saharan Africa. This portfolio continues to be reduced in line with the Group's strategy to exit non-core businesses.
- **Corporate** – provides corporate banking solutions spanning financing and transactional banking requirements, including trade and working capital solutions, as well as a full suite of cash management, payments and liquidity products and solutions. These services are provided across our combined Pan-African institutional and corporate client base.

Financial performance

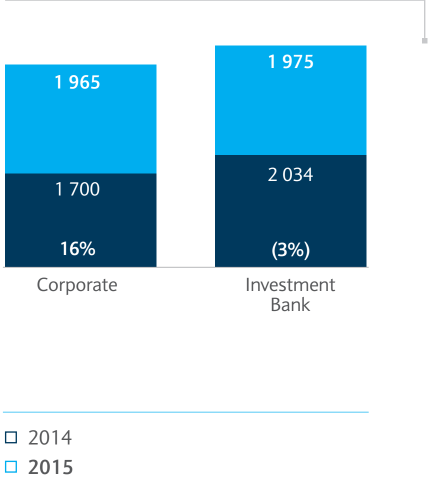
Headline earnings increased by 6% to **R3 940m** (2014: R3 734m); with CIB Rest of Africa headline earnings increasing by 20% contributing 37% to overall CIB earnings.

CIB Net revenue increased by 4% to **R12 971m** (2014: R12 531m), excluding impairments revenues were up 8%. The Corporate SA business recorded net revenue growth of 11% from solid cheque deposit growth, a strong performance from the Working Capital Solutions business and increased documentary trade volumes. Corporate Rest of Africa net revenues declined by 1% due to higher impairments; excluding impairments revenues were up 10%. Markets Rest of Africa delivered strong growth of 23%, benefiting from improved client flows, new systems and greater alignment of the various businesses across the continent. Banking net revenue increased by 8% delivered primarily through balance sheet growth offset by higher impairments, excluding impairments revenue increased by 16%. This performance was offset by a decline in revenues of 13% in Markets SA where Fixed Income Currency and Commodities (FICC) revenues came under pressure.

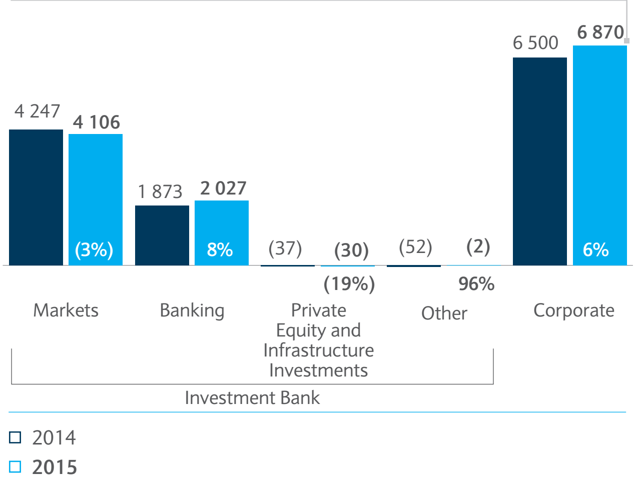
Operating expenses increased by 9% to **R7 436m** (2014: R6 810m), as we accelerated investment in systems and technology to enhance the client experience.

Strong loans and advances growth across the franchise of 29% to **R213 625m** (2014: R165 351m) with long term loans increasing by 27% supported by strong growth in South Africa notably in the Real Estate, Technology, Power, Utilities and Infrastructure sectors. Short-term assets were up 37%, with repurchase agreements increasing by more than 100% due to increased market volatility at year-end.

Headline earnings (Rm and change %)



Net revenue mix (Rm and change %)



Financial performance *(continued)*

Operating environment

Global growth looks to have picked up marginally during 2015 to 3,1%, supported by activity in advanced economies, while global inflation remained muted on further falls in commodity prices. The US economy is expected to have grown by 2,4% in the year, and the Federal Reserve announced the first rise in the Fed Funds rate since 2006, ending the zero rate policy in place since late 2008. Conversely, monetary policy was eased in the euro area during the year. Uncertainties over the health of the Chinese economy and market concerns surrounding the US rate rise together generated significant turmoil in global markets during 2015.

South Africa's quarterly economic growth returned to positive in Q3, alleviating immediate fears of a recession, but with full-year economic growth forecast at just 1,3%, the economy's performance in 2015 looks to have been the weakest since the 2009 recession. The acute electricity supply problems around mid-year, the worst drought in more than a century and sharply lower base and precious metals prices all impacted the supply side of the economy.

Business confidence faltered further in 2015 across sectors, contributing to weak private sector investment growth and anaemic employment growth. Consumer confidence was similarly weak in the year, impacting consumption and investment plans.

The rand depreciated against major currencies ending the year at R15,47 to the US dollar, having lost a quarter of its value during the year.

Growth in the Barclays Africa markets in the rest of Africa moderated further due to lower commodity prices and an adverse external environment. Fiscal and current account balances remain fragile in a number of countries, which, together with the broader domestic and global environment, resulted in a number of currencies weakening significantly. During 2015 monetary policy rates were raised in Ghana, Kenya, Mozambique, Uganda and Zambia, in response to currency pressures and upward inflation, and cut in Botswana and Mauritius in response to growth concerns.

Business performance

Overview

CIB has made progress on its Pan African strategy with operations in the rest of Africa increasing their contribution to revenue from 33% in 2014 to 34% in 2015. The business has also made significant advancements by upgrading the IT environment through major systems implementations. These achievements were accomplished against the backdrop of a challenging economic climate underpinned by lower commodity prices, considerable market volatility and moderating economic growth in presence countries.

The strategy to grow the Corporate Bank in South Africa is gaining momentum with 2015 being the third successive year of double-digit revenue growth in this business. Barclays.Net, our primary online banking platform for cash management, is now implemented in South Africa and client migrations to the platform are progressing.

During the course of the reporting period, CIB has entrenched client-centricity and technological innovation into the constructs of the firm. The early results of these long-term ambitions are evidenced by the numerous accolades achieved across the various product houses, examples of which are listed below.

- Best M&A House both for EMEA & Africa, EMEA Finance.
- Best bond house in Africa, EMEA Finance.
- Best Emerging Bank in Mauritius for 2015, Global Finance.
- Best Africa Debt House, Euromoney Awards for Excellence.
- Best Fixed income and Currencies House, JSE Spire Awards.
- Best Research House, JSE Spire Awards.

Business performance *(continued)*

Investment Bank

Markets

Markets revenue declined 3% to **R4 106m** (2014: R4 247m), with SA revenue down 13% to **R2 683m** (Dec 2014: R3 090m) partially offset by strong revenue growth of 23% to **R1 423m** (2014: R1 157m) in rest of Africa.

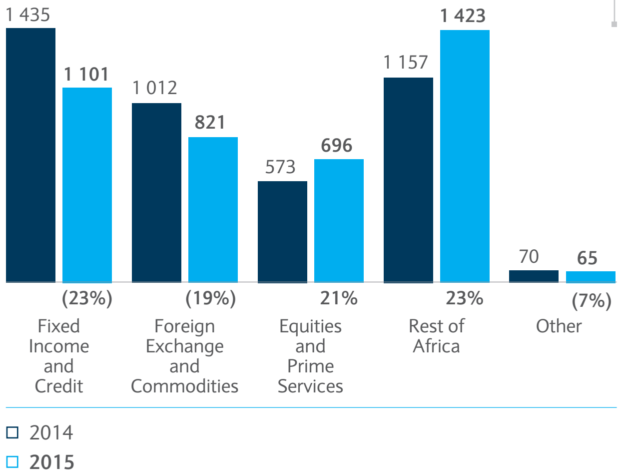
Fixed Income and Credit revenues declined 23% to **R1 101m** (2014: R1 435m) as a result of limited client flow and volatility in the market leading to challenging trading conditions.

Foreign Exchange and Commodities declined 19% to **R 821m** (2014: R1 012m) due to lower margins and uncertainty in the currency markets.

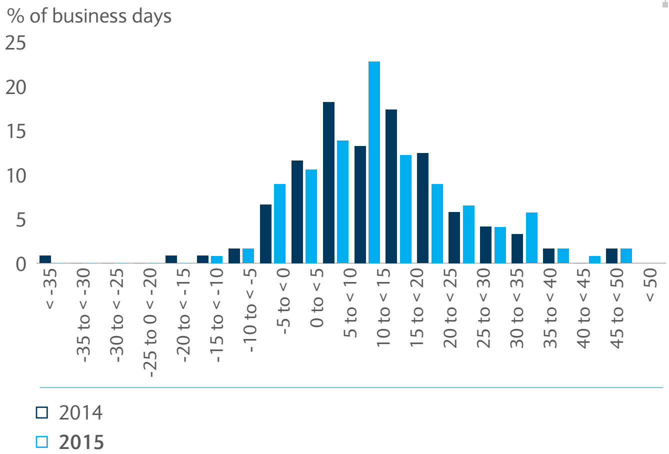
Equities and Prime Services continued to deliver a strong revenue performance with growth of 21% to **R 696m** (2014: R 573m) driven by continued client penetration. The franchise also benefited from further improvement in equity research offerings off the back of our international partnership with Barclays and traction with our top tier clients.

Rest of Africa revenue increased by 23% and continued to benefit from investment in systems, risk process and talent. BARX (our electronic FX trading platforms) is now completely live in all planned countries and will assist in maintaining this level of growth into the future. The business is focused on expanding its product offering and is expected to benefit from increased client flow as Barclays.Net is released across the continent over the next two years.

Markets net revenue split (Rm and change %)



Daily markets revenue distribution South Africa (Rm)



Business performance *(continued)*

Investment Bank *(continued)*

Banking

Banking delivered a strong performance in 2015, primarily through debt financing for clients, arising from deepened client relationships and high levels of crossborder client activity with net revenue growing 8% to **R2 026m** (2014: R1 873m). Excluding impairments, gross revenue grew by 16%.

Margin business revenue grew 19% to **R1 927m** (2014: R1 620m), notably in the DCM, Loans and Preference Share portfolios. Impairments increased as a consequence of the deteriorating economic environment.

Fee business revenue was underpinned by M&A and further renewable energy mandates, offset by Equity Capital Markets. There is a healthy mandated fee pipeline carrying over into 2016.

In the Rest of Africa, fee revenue increased by >100% albeit off a low base, as we invest in our core client relationships, benefiting the wider CIB Africa franchise.

Salient features	2015	2014	Change %
Gross revenue (Rm)	**2 309**	1 989	16
Margin business (Rm)	**1 927**	1 620	19
Fee business (Rm)	**382**	369	4
Credit impairment (Rm)	**(283)**	(116)	>100
Net revenue (Rm)	**2 026**	1 873	8
Average loans and advances (Rbn)	**66,7**	57,4	16

Private Equity and Infrastructure Investments

Private Equity and Infrastructure Investments reported a net loss of **R30m** (2014: R37m) primarily driven by negative revaluations affecting certain investments. This was offset by positive realisations as the non-core portfolio continues to be disposed of.

Salient features	2015	2014	Change %
Revaluations (Rm)	**(202)**	(124)	63
Realisations, dividends, interest and fees (Rm)	**200**	125	60
Funding (Rm)	**(28)**	(38)	(26)
Net revenue (Rm)	**(30)**	(37)	(19)
Total portfolio size (Rbn)	**2,4**	2,9	(17)

CIB

for the reporting period ended 31 December

Business performance *(continued)*

Corporate

Corporate net revenue increased by 6% to **R6 870m** (2014: R6 500m) with SA up 11% and rest of Africa marginally down by 1%.

Net revenue growth in South Africa was driven by higher cheque account deposit balances on the back of increased transactional volumes through client acquisition and retention initiatives, as well as improved margins on Working capital products. Net revenue further benefited from increased market share on import Documentary trade business and Structured trade and commodity finance book growth of more than 100%.

Net revenue in rest of Africa was adversely impacted by higher impairments on mining and commodity exposures. Revenue excluding impairments increased by 10% to **R3 332m** (2014: R3 017m), driven by strong balance sheet growth.

	2015			2014			
Salient features	**South Africa**	**Rest of Africa**	**Total**	South Africa	Rest of Africa	Total	Change %
Gross revenue (Rm)	**4 046**	**3 332**	**7 378**	3 613	3 017	6 630	11
Credit impairments (Rm)	**(71)**	**(437)**	**(508)**	(47)	(83)	(130)	>100
Net revenue (Rm)	**3 975**	**2 895**	**6 870**	3 566	2 934	6 500	6
Average loans and advances to customers (Rbn)	**61,3**	**33,8**	**95,1**	56,4	29,3	85,7	11
Average deposits due to customers (Rbn)	**147,5**	**49,7**	**197,2**	142,9	46,3	189,2	4

Looking ahead

The strategy will remain consistent for the year ahead, further emphasizing the principle of keeping clients at the core of our decision-making. We will focus on the following:

- The revamped client coverage structure will be fully leveraged to drive client commitment and facilitate more efficient and easier transactions
- Further develop the people culture founded on the values of the group to create a diverse and dynamic environment and become the employer of choice for current and future colleagues.
- CIB is committing to being more than a bank by developing sustainable solutions for communities in which we operate to help people realise their ambitions.
- Building innovative digital solutions and the development of an 'E-Bank' which will enable clients to grow and manage their business through cost-effectiveness, transparency and efficiency.
- Unlock access to firm's data and enhance analytic capability for decisions both internally and for clients.
- CIB will respond to the challenging economic environment by applying a responsible credit criteria and disciplined cost management.
- Continued pursuit to future proof the business ensuring it evolves within the rapidly changing environment.

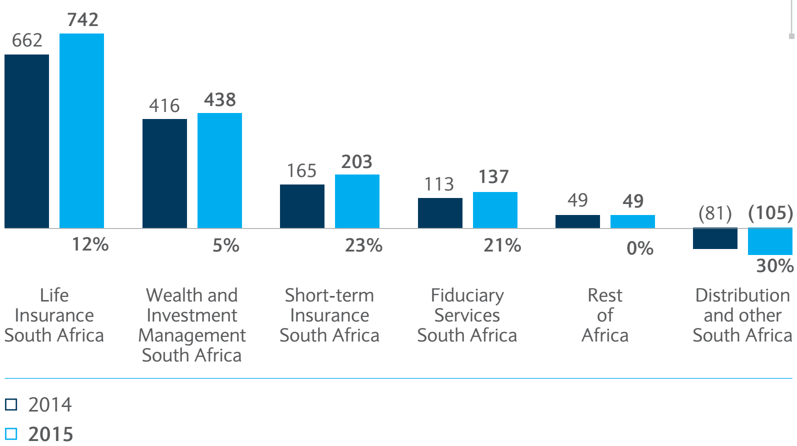
Highlights

- Improvement in RoE to 24,9%.
- Assets under management increased by R15bn.
- South African Life Insurance business net premiums increased by 9%.
- South African Short-term insurance margins improved to target levels resulting in a 23% growth in headline earnings.
- 21% growth in headline earnings for Fiduciary Services.
- Successfully acquired a majority stake in First Assurance, a Kenyan short-term insurance entity.

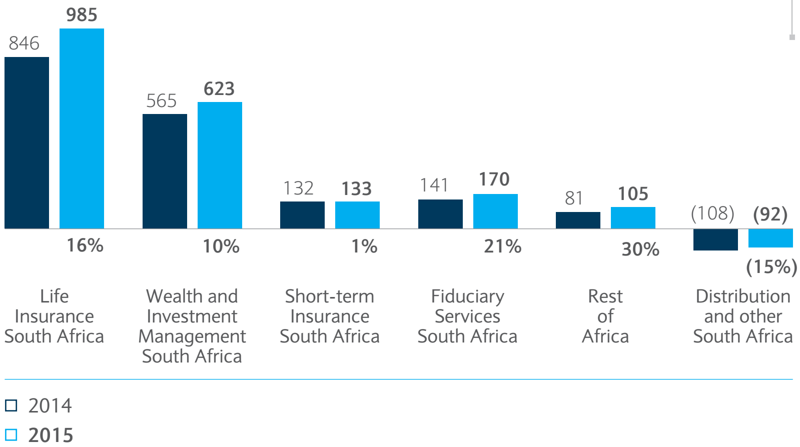
Challenges

- Investment income declined by 28%, adversely impacted by market performance.
- Increased effective tax rate in rest of Africa.
- Embedded value of new business (EVNB) declined 4% for Life Insurance.

Headline earnings (Rm and change %)



Net operating income (Rm and change %)



Salient features	2015	2014[1]	Change %
Net operating income (Rm)	**1 924**	1 657	16
Headline earnings (Rm)	**1 464**	1 324	11
Cost-efficiency ratio (%)	**29,0**	27,0	
Combined ratio (%) (including terminating lines)	**94,7**	96,1	
Assets under management and administration (Rbn)	**274**	259	6
EVNB (Rm)	**452**	472	(4)
Return on embedded value (%)	**22,7**	31,1	
RoE (%)	**24,9**	23,2	

Note

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

WIMI

for the reporting period ended 31 December

	Continuing Business Lines		
	2015 Rm	2014 Rm	Change %
Statement of comprehensive income			
Net insurance premium income	**6 101**	5 643	8
Net insurance claims and benefits paid	**(3 152)**	(2 919)	8
Investment income			
Policyholder investment contracts	**384**	695	(45)
Policyholder insurance contracts	**84**	296	(72)
Changes in investment and insurance contract liabilities			
Policyholder investment contracts	**(288)**	(588)	(51)
Policyholder insurance contracts	**72**	(170)	<(100)
Other income	**2 815**	2 561	10
Gross operating income	**6 016**	5 518	9
Net commission paid by insurance companies	**(1 017)**	(982)	4
Operating expenses	**(2 886)**	(2 771)	4
Other	**(204)**	(143)	43
Net operating income	**1 909**	1 622	18
Investment income on shareholder funds	**230**	319	(28)
Shareholder expenses	**(119)**	(112)	6
Taxation expense	**(608)**	(549)	11
Profit for the period	**1 412**	1 280	10
Headline earnings	**1 449**	1 289	12

	2015 Rm	2014 Rm	Change %
Note			
Investment income			
Policyholder investment contracts	**384**	695	(45)
Net interest income	**413**	373	11
Dividend income	**267**	256	4
Fair value gains	**(296)**	66	<(100)
Policyholder insurance contracts	**84**	296	(72)
Net interest income	**152**	127	20
Dividend income	**21**	15	40
Fair value gains	**(89)**	154	<(100)
Shareholder funds	**230**	319	(28)
Net interest income	**125**	159	(21)
Dividend income	**24**	17	41
Fair value gains	**81**	143	(43)
Total	**698**	1 310	(47)
Net interest income	**690**	659	5
Dividend income	**312**	288	8
Fair value gains/(losses)	**(304)**	363	<(100)

	Terminating Business Lines			Total WIMI		
	2015 Rm	2014 Rm	Change %	2015 Rm	2014 Rm	Change %
	(79)	121	<(100)	6 022	5 764	4
	47	(97)	<(100)	(3 105)	(3 016)	3
	—	—	—	384	695	(45)
	1	3	(67)	85	299	(72)
	—	—	—	(288)	(588)	(51)
	—	—	—	72	(170)	<(100)
	5	2	>100	2 820	2 563	10
	(26)	29	<(100)	5 990	5 547	8
	54	22	>100	(963)	(960)	0
	(13)	(16)	(19)	(2 899)	(2 787)	4
	—	—	—	(204)	(143)	43
	15	35	(57)	1 924	1 657	16
	—	—	—	230	319	(28)
	—	—	—	(119)	(112)	6
	—	—	—	(608)	(549)	11
	15	35	(57)	1 427	1 315	9
	15	35	(57)	1 464	1 324	11

	2015 Rm	2014 Rm	Change %	2015 Rm	2014 Rm	Change %
	—	—	—	384	695	(45)
	—	—	—	413	373	11
	—	—	—	267	256	4
	—	—	—	(296)	66	<(100)
	1	3	(67)	85	299	(72)
	1	3	(67)	153	130	18
	—	—	—	21	15	40
	—	—	—	(89)	154	<(100)
	—	—	—	230	319	(28)
	—	—	—	125	159	(21)
	—	—	—	24	17	41
	—	—	—	81	143	(43)
	1	3	(67)	699	1 313	(47)
	1	3	(67)	691	662	4
	—	—	—	312	288	8
	—	—	—	(304)	363	< (100)

This page has been left blank intentionally

WIMI
for the reporting period ended 31 December

	Life Insurance		
	2015 Rm	2014 Rm	Change %
Statement of comprehensive income			
Net insurance premium income	**2 851**	2 554	12
Net insurance claims and benefits paid	**(937)**	(803)	17
Investment income			
Policyholder investment contracts	**734**	813	(10)
Policyholder insurance contracts	**27**	248	(89)
Changes in investment contracts and insurance contract liabilities			
Policyholder investment contracts	**(638)**	(706)	(10)
Policyholder insurance contracts	**64**	(170)	<(100)
Other income[2]	**(43)**	(51)	(16)
Gross operating income	**2 058**	1 885	9
Net commission paid by insurance companies[2]	**(478)**	(468)	2
Operating expenses	**(425)**	(432)	(2)
Other	**(97)**	(99)	(2)
Net operating income	**1 058**	886	19
Investment income on shareholder funds	**56**	84	(33)
Shareholder expenses	**—**	—	-
Taxation expense	**(319)**	(278)	15
Profit for the period	**795**	692	15
Headline earnings	**794**	694	14
Note			
Investment income			
Policyholder investment contracts	**734**	813	(10)
Net interest income	**407**	368	11
Dividend income	**175**	179	(2)
Fair value gains	**152**	266	(43)
Policyholder insurance contracts	**27**	248	(89)
Net interest income	**95**	79	22
Dividend income	**21**	15	40
Fair value gains	**(89)**	154	<(100)
Shareholder funds	**56**	84	(33)
Net interest income	**35**	37	(5)
Dividend income	**14**	9	56
Fair value gains/(losses)	**7**	38	(82)
Total	**817**	1 145	(29)
Net interest income	**537**	484	11
Dividend income	**210**	203	3
Fair value gains/(losses)	**70**	458	(85)

Net fee and commission income – Continuing Business Lines	**2015 Rm**	2014 Rm	Change %
Employee benefit-related fees	**387**	374	3
Investment management and related fees	**1 222**	1 131	8
Net commission from distribution business	**426**	422	1
Net commission paid by insurance companies[3]	**(963)**	(960)	0
Trust and estate income	**318**	299	6
Other	**(15)**	(22)	(32)
Total	**1 375**	1 244	11

Notes
1 These numbers have been restated, refer to the reporting changes overview on the inside cover page.
2 Includes impairment losses on loans and advances.
3 Includes internal commission, eliminated on consolidation.

Wealth and Investment Management			Short-term Insurance			Fiduciary Services		
2015 Rm	2014[1] Rm	Change %	**2015 Rm**	2014[1] Rm	Change %	**2015 Rm**	2014 Rm	Change %
—	—	—	**3 246**	3 080	5	**4**	9	(56)
—	—	—	**(2 214)**	(2 115)	5	**(1)**	(1)	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**57**	48	19	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
1 590	1 430	11	**73**	52	40	**706**	674	5
1 590	1 430	11	**1 162**	1 065	9	**709**	682	4
—	—	—	**(538)**	(513)	5	**—**	(1)	<(100)
(957)	(856)	12	**(349)**	(382)	(9)	**(528)**	(534)	(1)
(10)	(9)	11	**(74)**	(10)	>100	**(11)**	(2)	>100
623	565	10	**201**	160	26	**170**	145	17
(3)	21	<(100)	**76**	84	(10)	**20**	15	33
—	—	—	**—**	—	—	**—**	—	—
(176)	(164)	7	**(83)**	(79)	5	**(54)**	(43)	26
444	422	5	**194**	165	18	**136**	117	16
438	416	5	**237**	169	40	**137**	117	17
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**57**	48	19	**—**	—	—
—	—	—	**57**	48	19	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
—	—	—	**—**	—	—	**—**	—	—
(3)	21	<(100)	**76**	84	(10)	**20**	15	33
(7)	26	<(100)	**80**	80	—	**4**	3	33
—	—	—	**10**	8	25	**—**	—	—
4	(5)	<(100)	**(14)**	(4)	>100	**16**	12	33
(3)	21	<(100)	**133**	132	1	**20**	15	33
(7)	26	<(100)	**137**	128	7	**4**	3	33
—	—	—	**10**	8	25	**—**	—	—
4	(5)	<(100)	**(14)**	(4)	>100	**16**	12	33

Segment report per geographical segment	South Africa			Rest of Africa		
	2015 Rm	2014[1] Rm	Change %	**2015 Rm**	2014 Rm	Change %
Statement of comprehensive income (Rm)						
Net insurance premium income	**5 326**	5 026	6	**775**	617	26
Net insurance claims and benefits paid	**(2 813)**	(2 668)	5	**(339)**	(251)	35
Gross operating income	**5 546**	5 134	8	**470**	384	22
Operating expenses	**(2 661)**	(2 540)	5	**(225)**	(174)	29
Net operating income	**1 805**	1 541	17	**105**	81	28
Profit for the reporting period	**1 359**	1 231	10	**53**	49	8
Headline earnings	**1 400**	1 240	13	**49**	49	—

Distribution			Other			Total Continuing Business Lines		
2015 Rm	2014 Rm	Change %	2015 Rm	2014 Rm	Change %	2015 Rm	2014[1] Rm	Change %
—	—	—	—	—	—	6 101	5 643	8
—	—	—	—	—	—	(3 152)	(2 919)	8
—	—	—	(350)	(118)	>100	384	695	(45)
—	—	—	—	—	—	84	296	(72)
—	—	—	350	118	>100	(288)	(588)	(51)
—	—	—	8	—	—	72	(170)	<(100)
487	452	8	2	4	(50)	2 815	2 561	10
487	452	8	10	4	>100	6 016	5 518	9
—	—	—	—	—	—	(1 017)	(982)	4
(475)	(501)	(5)	(153)	(66)	>100	(2 886)	(2 771)	6
(9)	(11)	(18)	(3)	(12)	(75)	(204)	(143)	43
3	(60)	<(100)	(146)	(74)	97	1 909	1 622	18
6	5	20	75	110	(32)	230	319	(28)
—	—	—	(119)	(112)	(6)	(119)	(112)	6
—	(1)	<(100)	24	16	50	(608)	(549)	11
9	(56)	<(100)	(166)	(60)	>100	1 412	1 280	10
9	(56)	<(100)	(166)	(51)	>100	1 449	1 289	12
—	—	—	(350)	(118)	>100	384	695	(45)
—	—	—	6	5	20	413	373	11
—	—	—	92	77	19	267	256	4
—	—	—	(448)	(200)	>100	(296)	66	<(100)
—	—	—	—	—	—	84	296	(71)
—	—	—	—	—	—	152	127	20
—	—	—	—	—	—	21	15	40
—	—	—	—	—	—	(89)	154	<(100)
6	5	20	75	110	(32)	230	319	(28)
—	—	—	13	13	—	125	159	(21)
—	—	—	—	—	—	24	17	41
6	5	20	62	97	(36)	81	143	(43)
6	5	20	(275)	(8)	>100	698	1 310	(47)
—	—	—	19	18	6	690	659	5
—	—	—	92	77	19	312	288	8
6	5	20	(386)	(103)	>100	(304)	363	<(100)

Total Continuing Business Lines		
2015 Rm	2014[1] Rm	Change %
6 101	5 643	8
(3 152)	(2 919)	8
6 012	5 518	9
(2 887)	(2 771)	4
1 909	1 622	18
1 412	1 280	10
1 449	1 289	12

WIMI

for the reporting period ended 31 December

	2015 Rm	2014[1] Rm	Change %
Statement of financial position			
Assets			
Cash balances and loans and advances to banks[2]	**1 729**	1 366	27
Non-current assets held for sale	**244**	416	(41)
Investment securities[2]	**336**	603	(44)
Financial assets backing investment and insurance liabilities			
Policyholder investment contracts	**24 283**	23 406	4
Cash balances and loans and advances to banks	**800**	796	1
Investment securities	**23 483**	22 476	4
Reinsurance assets	**—**	134	(100)
Policyholder insurance contracts	**3 602**	3 735	(4)
Cash balances and loans and advances to banks	**764**	919	(17)
Investment securities	**2 257**	2 220	2
Reinsurance assets	**581**	596	(3)
Shareholder funds	**4 332**	3 765	15
Cash balances and loans and advances to banks	**2 283**	1 607	42
Investment securities	**2 049**	2 158	(5)
Other assets[3]	**9 069**	13 360	(32)
Property and equipment	**325**	114	>100
Total assets	**43 920**	46 765	(6)
Liabilities			
Non-current liabilities held for sale	**233**	372	(37)
Liabilities under investment contracts	**24 225**	23 313	4
Policyholder liabilities under insurance contracts	**4 323**	3 842	13
Other liabilities	**9 584**	14 149	(32)
Other liabilities[3]	**9 489**	14 028	(32)
Other liabilities relating to investment contracts	**95**	121	(21)
Deferred tax liabilities	**31**	22	41
Total liabilities	**38 396**	41 698	(8)
Equity			
Capital and reserves	**5 329**	5 069	5
Non-controlling interest	**195**	(2)	>100
Total equity	**5 524**	5 067	9
Total liabilities and equity	**43 920**	46 765	(6)

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

[2] Non-insurance-related balances.

[3] Other assets and liabilities include settlement account balances in Absa Stockbrokers (Pty) Ltd as well as loans and advances to customers and deposits due to customers relating to the Wealth Banking portfolio.

WIMI
for the reporting period ended 31 December

Reconciliation with Group	2015 WIMI Rm	2015 Inter-segment elimination Rm	2015 Other[1] Rm	2015 Group Rm
Statement of financial position[2]				
Investment securities				
Investments linked to investment contracts	23 483	(3 966)	—	19 517
Policyholder liabilities under insurance contract	4 323	(1)	18	4 340
Statement of comprehensive income[2]				
Net insurance premium income	6 022	—	281	6 303
Net insurance claims and benefits paid	(3 105)	(6)	(34)	(3 145)
Gains and losses from investment activities – net gains on investments from insurance activities – policyholder investment contracts	384	(47)	—	337

Reconciliation with Group	2014 WIMI Rm	2014 Inter-segment eliminations Rm	2014 Other[1] Rm	2014 Group Rm
Statement of financial position[2]				
Investment securities				
Investments linked to investment contracts	22 476	(3 159)	—	19 317
Policyholder liabilities under insurance contract	3 842	(25)	53	3 870
Statement of comprehensive income[2]				
Net insurance premium income	5 764	—	251	6 015
Net insurance claims and benefits paid	(3 016)	5	(32)	(3 043)
Gains and losses from investment activities – net gains on investments from insurance activities – policyholder investment contracts	695	(187)	—	508

Notes
1 Consists of Absa Manx Insurance Company and Woolworths Financial Services.
2 Debit amounts are disclosed as positive, credit amounts are disclosed as negative.

WIMI

for the reporting period ended 31 December

Cost-efficiency ratio – WIMI	2015 Rm	2014[1] Rm	Change %	Where included in Group's statement of comprehensive income
Revenue	10 396	10 747	(3)	Net fee and commission income; other operating income; net interest income
Gross premium income	7 688	8 199	(6)	Net insurance premium income
Net commission from distribution business	420	417	1	Net fee and commission income
Non-insurance-related income[2]	1 688	1 608	5	Net fee and commission income
Banking-related income	294	302	(3)	Net fee and commission income
Other income	306	221	38	Net fee and commission income; other operating income; net interest income
Operating expenses	(3 018)	(2 899)	4	Operating expenses
Cost-efficiency ratio (%)	29,0	27,0		

Reconciliation of WIMI non-interest income to Group	2015 Rm	2014[1] Rm	Change %	Where included in Group's statement of comprehensive income
Aforementioned revenue	10 396	10 747	(3)	
Net commission paid by insurance companies	(963)	(961)	0	Net fee and commission income
Reinsurance premiums	(1 666)	(2 435)	(32)	Net insurance premium income
Net insurance claims and benefits paid	(3 105)	(3 016)	3	Net claims and benefits paid on insurance contracts
Changes in investment and insurance contract liabilities	(216)	(758)	(72)	Changes in investment and insurance contract liabilities
Gains and losses from investment activities	698	1 313	(47)	Gains and losses from investment activities
Other income	112	40	>100	Other operating income
Banking-related income	(294)	(302)	(3)	Net interest income
Non-interest income	4 962	4 628	7	

Business profile

WIMI is the integrated non-banking financial services provider to Barclays Africa and other partners across the continent, including life insurance, non-life insurance, investment management, retirement services and fiduciary. It provides advice-led investment, credit and banking solutions to high-net-worth clients, retail solutions to individual bank clients and institutional propositions to corporate and business clients. WIMI's well-established partnership model with the bank is based on close collaboration and integration, delivering broad-based financial solutions for Barclays Africa Group Limited customers.

Key business areas

- **Life Insurance** – offers life insurance, covering death, disability and retrenchment, as well as funeral and investment products.
- **Wealth and Investments** – consists of several business units, which operate on a collaborative basis to offer individual and institutional clients access to high-quality wealth and investment products and solutions. These products and services include private client asset management, investment management, risk management, structured lending, multi-management, unit trusts, stockbroking and linked investments.
- **Short-term Insurance** – provides short-term insurance solutions to the retail and commercial market segments. A direct-to-client short-term solution, Absa idirect, is also available to the retail market.
- **Fiduciary Services** – consists of estate administration and employee benefit businesses. The employee benefit business offers individual retirement fund administration, health care consulting and actuarial services. Absa Trust administers deceased estates and provides trustee services for personal, family, charitable and employee benefit trusts.
- **Distribution** – one of the larger financial, wealth, investment and risk advisory companies in South Africa. It provides the full spectrum of financial advisory services and acts as an intermediary between the Group's customers, clients and other product providers.
- **Other** – includes WIMI's head office consolidation entries, holding companies, as well as allocated shareholder expenses.

Notes

[1] These numbers have been restated, refer to the reporting changes overview on the inside cover page.
[2] Fee income relating to employee benefits, trust, estate and portfolio management fees.

Business profile *(continued)*

An organisational structure change took place during the reporting period impacting the segmental structure of WIMI:

- As part of our strategic intent to convert our **Wealth** coverage business into an investment advice-led business we transferred our "Vanilla" (unstructured) credit book to RBB. This enables us to focus our efforts on advice-led client engagements and to utilise the core competencies that exist in credit functions in RBB.
- In line with our strategic intent to transform the South African Short-term Insurance business to reduce volatility and improve margins, we exited the agricultural crop business. A re-insurance and sales transaction of the agricultural crop business was concluded impacting the 2015 results. This business has been included in the **Terminating Business Lines** disclosure in the segment report.

Operating environment

A convergence of adverse developments continued to weigh on the outlook for the domestic economy in the second half of 2015. This culminated in rating agencies downgrading South Africa's sovereign credit rating to one notch above junk status. Low GDP growth has also resulted in economists warning of recession risks. Year-on-year GDP growth slowed in the second half of 2015, the weakest rate in six years. Weak growth is expected to continue in 2016 and domestic expenditure is likely to remain under pressure due to rising interest rates, pressure on government finances and a weakening of business confidence. These developments resulted in significant volatility and a decline in market value of Bonds and Equities in the second half of 2015, which adversely impacted WIMI's earnings. The South African consumer remains under pressure with consumption likely to remain constrained in 2016. A 50 basis point increase in the repurchase rate during 2015, rising electricity and food costs and an inflation rate hovering around the upper end of the target band indicate tough times ahead for consumers. These factors, coupled with weak consumer confidence, will continue to weigh down growth in the South African insurance and investments markets. Potential for higher lapse rates in insurance policies and pressure on savings and risk protection products can be expected.

The outlook for economic growth for the rest of Africa is expected to remain positive. Sub-Saharan Africa (SSA) is affected by headwinds such as low commodity prices and outflow of capital from emerging markets. However, with one of the world´s fastest-growing middle classes, rest of Africa continues to show pronounced promise for WIMI solutions.

The regulatory environment remains dynamic with a focus on the first phase implementation of proposals contained in the Financial Services Board's Retail Distribution Review (RDR). While the RDR initiative fundamentally alters the way in which insurance and investments are sold, WIMI has made significant progress and remains committed to providing customers with affordable, fair and sustainable advice.

WIMI will continue to evolve by harnessing data, innovative technology and digital capabilities to meet the demands of shifting consumer dynamics, new regulations and changing distribution models that will impact our business landscape over the short to medium term.

Business performance

In line with our strategic intent, we have shown progress with the implementation of strategic initiatives:

- In building out our bancassurance competencies on the **African continent** we established a greenfield life insurance business and acquired a majority stake in a short-term insurance business in Kenya. The acquired short-term insurance business is incorporated into our results from 1 November 2015 with the integration progressing well. In our existing businesses we are implementing broader channel coverage across the continent, which includes branch kiosks to face-to-face, telephony and digital platforms.
- Enhanced our **Wealth and Investment management capabilities** by executing the following priorities:
  - Transferred high-volume unstructured credit banking to RBB;
  - Integrated our Stockbrokers and Private Clients businesses; and
  - Implemented a franchise model, concluded key investment manager hires and rolled out a revised remuneration model in our Active Asset Management business to build skills and scale up assets under management.
- With a focus to build **Omni-channel distribution** capabilities we have achieved the following:
  - Roll-out of our Houseview to formalise advice process;
  - A new adviser remuneration model has been put in place to drive customer-centric sales;
  - Building out our telephony and direct channel capabilities has gained momentum; and
  - Improved our Digital technology platform capabilities through the recent acquisition of a majority stake in a Direct Life insurer.
- We continue to focus on becoming a customer-led business with the following early successes:
  - Improved net promoter scores;
  - Launched our first Customer Lifestage Moment sales campaigns and have strengthened alignment with RBB initiatives to better serve target segments.
- Refocused our short-term insurance business to improve margins and returns through the outsourcing of personal lines administration to a third party and we concluded the disposal of agricultural crop business.
- A continued focus on operational efficiencies remained a priority in response to tough economic and operating conditions. Key successes included the introduction of outsourced and centralised administrative functions in both our short-term insurance and distribution businesses with the objective to achieve cost-efficiencies, sales efficiencies, improved control environment and improved customer/client solutions.

WIMI

for the reporting period ended 31 December

Business performance *(continued)*

- WIMI accolades and key product launches include:
  - Bank.Invest.Insure.Prosper awareness campaign;
  - Affinity product in Absa Life (data insights enabled predictive underwriting product);
  - Awarded Top SA Private Bank Award in the Family Office segment by Moneyweb Intellidex in 2015;
  - Absa Employee Benefits won Actuarial Firm of the Year at the 2015 Imbasa Yegolide Awards;
  - Wealth and Investment Management (WIM) won 3 Raging Bull Awards - with the Absa Property Equity Fund and Absa Multi-managed Bond Fund taking top honours;
  - Launched Barclays Life Assurance in Kenya in May 2015; and
  - Acquired majority share in First Assurance, Kenya.

Financial performance

WIMI delivered strong performance with headline earnings increasing by 11% to **R1 464m** (2014: R1 324m), and net operating income increasing by 16% to **R1 924m** (2014: R1 657m).

The performance is a result of the implementation of the strategic focus areas with the following key features:

- Building out our **bancassurance competencies on the African continent** has contributed to a 22% growth in revenue. Headline earning remained flat at R49m, largely due to increased minority interest in profits and the impact of disallowed tax deduction for pre-incorporation costs in Kenya.
- Total **assets under management** and administration increased by R15bn to **R274bn** (2014: R259bn), driven by a significant (R19bn) improvement in net flows from institutional money market and segregated mandates, as well as increased activity within protection overlay and synthetic asset allocation strategies.
- **Life insurance SA** achieved strong headline earnings growth of 12% on the back of a 9% net premium income growth and a 5% decline in operating expenses.
- Transforming the **South African Short-term Insurance** business to improve margins has resulted in an improvement in underwriting margin[1] to **4,9%** (2014: 3,1%) and a 23% improvement in headline earnings.
- In building out our omni-channel **Distribution** capabilities, we faced further adviser attrition, however, net revenue grew by 8%, and cost growth was contained to 5%, which contributed to the business achieving a R9m profit before tax.
- **Fiduciary Services** margins continued to improve resulting in a 21% increase in earnings. The continued improved margin is driven by lower operational losses and continued operational efficiencies.
- Our focus on operating effectiveness has resulted in **operating expenses** growth being contained to 4% with total cost of **R2 899m** (2014: R2 787m). The South African operations increased by 2%, while operations in the rest of Africa recorded an increase of 29%, partly due to investments undertaken to implement our African expansion strategy and foreign exchange differences. Excluding the impact of foreign exchange translations, operating expenses increased by 9%.
- In line with industry trends we experienced subdued growth in risk new business volumes in South Africa. In the rest of Africa, we experienced lower EVNB per policy due to alignment of credit life practices, products and pricing. As a result EVNB decreased by 4% to **R452m** (2014: 472m).
- As part of our annual impairment assessment for intangible assets, an impairment of R72m was recognised during the reporting period. The impairment was required as a result of the strategic decision to outsource the personal lines intermediated businesses administration to a third party as well as an expected decline in future cash flows related to the planned action to be taken on the commercial intermediated business.
- In addition the volatile economic environment adversely impacted market performance, which resulted in income from shareholder' funds declining by 28% to **R230m** (2014: R319m).

Note

[1] Underwriting margin is reported before adjusting for the once-off systems impairments and excludes Agricultural crop business reported under "Terminating lines of business".

Business performance

Life Insurance

Life insurance headline earnings increased by 14% and net operating income increased by 19% to **R794m** (2014: R694m) and **R1 058m** (2014: R886m), respectively.

Subdued growth in new business volumes was observed and alignment of credit life practices outside South Africa, resulted in the EVNB decreasing by 4%. Economic basis changes contributed positively to the financial results by **R25m** (2014: R31m loss), while modelling improvements and basis assumption changes resulted in a release of reserves of **R6m** (2014: R28m).

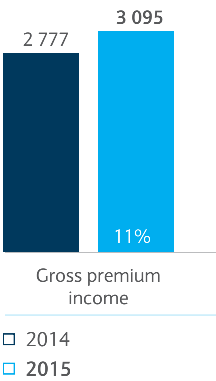
Net premium income increased by 12% to **R2 851m** (2014: R2 554m). The South African operations reflected a 9% growth mainly attributed to increased Group Scheme business, improved premium collection on the funeral product and significant growth in branch funeral sales.

Operations in the rest of Africa performed strongly with an increase in net premium income of 29% to **R409m** (2014: R318m) and net operating income growth of 83% to **R73m** (2014: R40m).

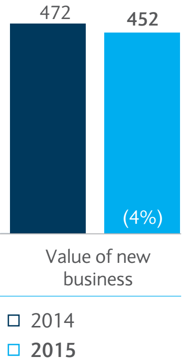
Income from shareholders' funds declined by 33% to **R56m** (2014: R84m) as a result of market volatility experienced during the fourth quarter of 2015.

Operating expenses declined by 2% to **R425m** (2014: R432m). The South African operations declined by 5% while operations outside of South Africa increased by 20% as a result of our expansion strategy.

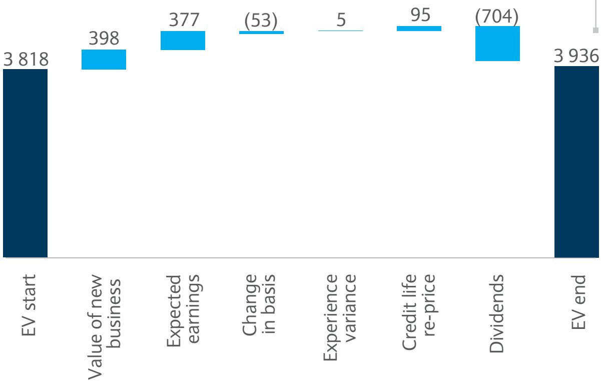
Gross premium income (Rm and change %)



Value of new business (Rm and change %)



Embedded value (Absa Life South Africa) (Rm)



Salient features	2015	2014	Change %
Shareholders' net assets (Rm)	**1 402**	1 318	6
Cost of solvency capital (Rm)	**(218)**	(268)	(19)
Value of business in force (Rm)	**3 158**	3 017	5
Embedded value (Rm)	**4 342**	4 067	7
Embedded value earnings (Rm)	**923**	1 166	(21)
Return on embedded value (%)	**22,7**	31,1	
EVNB (Rm)	**452**	472	(4)
Value of new business as a percentage of the present value of future premiums (%) (gross)	**5,9**	7,2	

Wealth and Investments

Wealth and Investments achieved satisfactory results with net operating income and headline earnings increasing by 10% and 5% respectively. Wealth and Investments comprises the Investment, Wealth Management and Linked Investment Service Provider (LISP) businesses.

In line with our strategic intent, we transitioned **Wealth** operations into an investment-led advisory business and transferred high-volume non-wealth lending activities to RBB. Headline earnings increased by 39%, benefitting from a 5% revenue growth, low-cost growth and favourable impairments as a result of an improvement in the credit quality of the overall book.

Headline earnings for our **Investment** business declined by 3%, mainly impacted by the launch of the franchise model to improve client offerings and assist with the attraction and retention of investment professionals. This was partially offset by an increase of R24m (3%) in revenue predominantly due to higher average AUMs in Segregated mandates, protection overlay strategies and growth in Smart Strategies.

The **LISP** business achieved headline earnings growth of 11% mainly due to income growth.

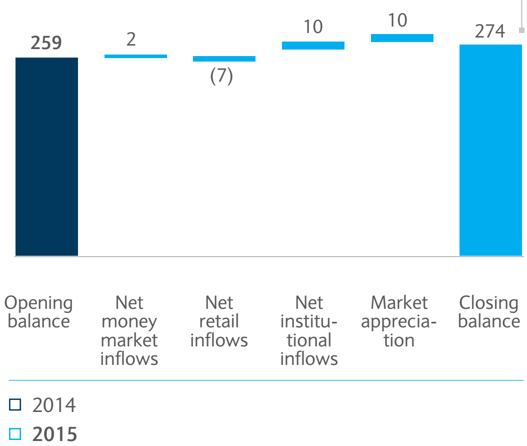
WIMI
for the reporting period ended 31 December

Wealth and Investments *(continued)*

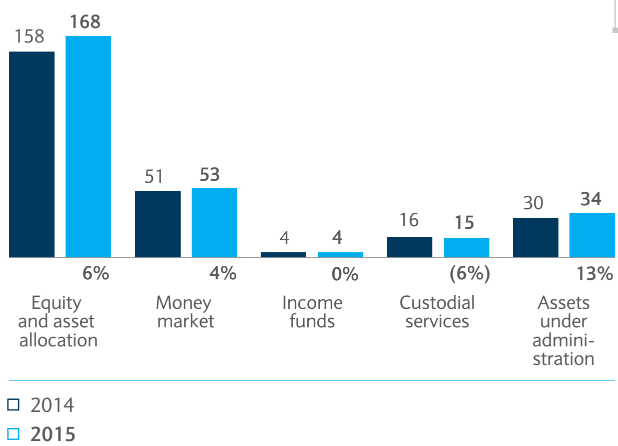
The impact of our overall strategic intent translated into Wealth and Investments achieving:

- Non-interest income growth of 10% to **R1 294m** (2014: R1 172m)
- Total **assets under management** and administration increased by R15bn to **R274bn** (2014: R259bn), driven by a significant (R19bn) improvement in net flows from institutional money market and segregated mandates, as well as increased activity within protection overlay and synthetic asset allocation strategies. Passive AUM's reflected R4bn in net outflows mainly in exchange traded funds.
- Costs increased by 12% to **R957m** (2014: R856m) largely impacted by investments undertaken in launching our franchise model for active asset management, system development costs and revised remuneration models.

Movement in assets under management and administration (Rbn)



Composition of assets under management and administration (Rbn and change %)



Salient features	2015	2014	Change %
Headline earnings (Rm)	**438**	416	5
Gross operating revenue (Rm)	**1 582**	1 476	7
Net interest income	**288**	304	(5)
Non-interest income	**1 294**	1 172	10
Credit impairments (Rm)	**5**	(25)	>100
Net revenue (Rm)	**1 587**	1 451	9
Gross margin (bps)	**51,4**	48,5	
Average loans and advances to customers (Rbn)	**5,4**	5,2	4
Client assets (Rbn)	**5,2**	5,3	(2)
Net flows (Rbn)	**5**	(14)	>100
Money market	**2**	(7)	>100
Non-money market – retail	**(7)**	(4)	75
Non-money market – institutional	**10**	(3)	>100
Net assets under management and administration (Rbn)	**274**	259	6

	2015	2014	Change %
Assets under management and administration (Rbn)	**274**	259	6
ETF	**31**	36	(14)
Money market	**55**	50	10
Non-money market	**196**	181	8
Intra-segment eliminations	**(8)**	(8)	—
Alternative asset management and exchange-traded funds (Rbn)	**90**	80	13
Deceased estates	**2**	3	(33)
Other	**13**	14	(7)
Portfolio management	**39**	42	(7)
Trusts	**3**	2	50
Unit trusts	**127**	118	8
	274	259	6

Business performance *(continued)*

Short-term Insurance

Short-term insurance achieved headline earnings of **R237m** (2014: R169m), an increase of 40% on the previous reporting period with an underwriting margin of **4,9%** (2014: 3,1%)[1]. Net insurance premium income increased by 5% to **R3 246m** (2014: R3 080m).

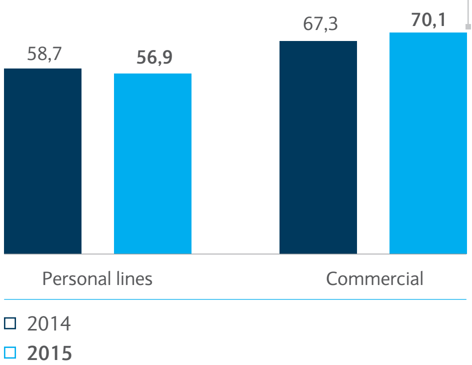
The South African business made significant progress in delivering on its strategic commitments for 2015. Various strategic decisions were implemented to improve returns and reduce volatility, including the sale of the agricultural crop business, outsourcing of the personal lines intermediated administration and centralisation of the claims process. From an operational perspective, the business was successful in improving the retention strategy and efficiently managing the cost base, which declined by 12% when compared to the previous reporting period.

Operations in the rest of Africa performed strongly, with an increase in net premium income of 25% to **R362m** (2014: R290m), and net operating income increased by 32% to **R83m** (2014: R63m). The increase is partly attributed to the recent acquisition of a majority stake in First Assurance, which was effective 1 November 2015.

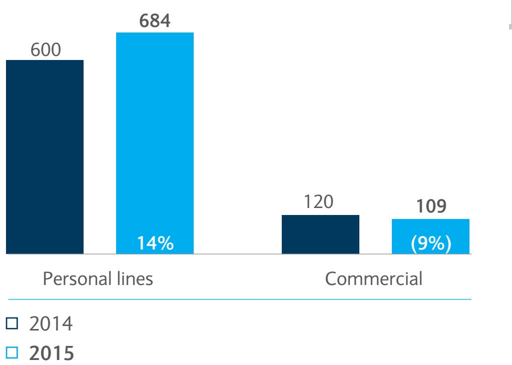
The overall loss ratio improved to **67,8%** (2014: 68,1%). The personal lines underwriting surplus increased to **R684m** (2014: R600m) due to strong growth in Absa idirect and a significant reduction in weather-related claims during the first and fourth quarters of 2015. In addition, lower cold weather-related claims were experienced during 2015.

The commercial claims ratio increased to **70,1%** (2014: 67,3%) due to large fire-related claims. A number of strategic responses are under consideration to address the low margin on the commercial intermediated lines of business.

Loss ratio (%)



Underwriting surplus (pre-expenses Rm)



Salient features	2015	2014	Change %
Headline earnings (Rm)	**237**	169	40
Net premium income (Rm)	**3 246**	3 080	5
Underwriting surplus (Rm)	**511**	478	7
Underwriting margin (%)[1]	**4,9**	3,1	
Loss ratio (%)	**67,8**	68,1	
Solvency margin (%)	**57,7**	56,7	
NAV (Rm)	**1 872**	1 747	7

Note

[1] Underwriting margin is reported before adjusting for the once-off systems impairments and excludes agricultural crop business reported under "Terminating lines of business".

WIMI

for the reporting period ended 31 December

Business performance *(continued)*

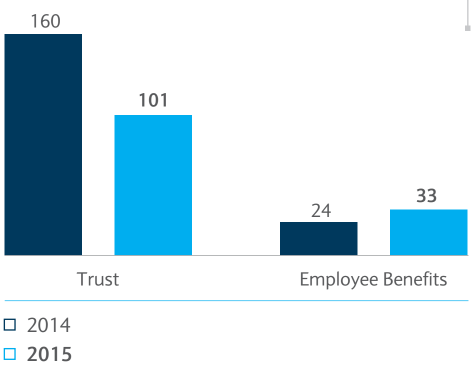
Fiduciary Services

Headline earnings increased by 17% to **R137m** (2014: R117m). Absa Trust continued to be a significant cash-generating business and reported a 9% increase in headline earnings to **R86m** (2014: R79m). A return on equity of 101% was achieved and the business delivered attractive returns in line with our target range. The business showed strong growth in new wills written in the high-net-worth segment and achieved 12% growth in Trust assets under management to R11,3bn.

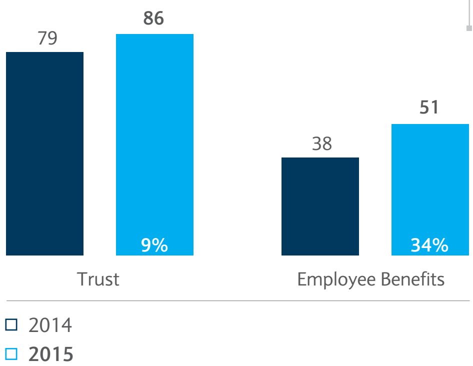
Employee Benefits restructuring changes undertaken produced positive results, resulting in direct operational expenditure declining by 2%. Employee Benefits' headline earnings increased by 34% to **R51m** (2014: R38m). A return on average equity of 33% was achieved and new business of R7m was achieved during the period.

The Fiduciary business recently won the "Actuarial Firm of the Year" award at the Imbasa Yegolide ceremony. The focus of Fiduciary Services has shifted to maximise its contribution to the Group through executing cross-sell opportunities and enhancing Group value created from customer/client relationships. The business continued to deliver annuity revenue and generated gross new assets under management from cross-sell opportunities of R372m and R8,5bn respectively.

RoE (%)



Headline earnings (Rm and change %)



Salient features	**2015**	2014	Change %
Headline earnings (Rm)	**137**	117	17
Average value of estates distributed (R'000)	**1 410**	1 146	23
Net assets under management (Rbn)	**13,4**	12,6	6
Third party	**5,1**	4,8	6
Investments	**8,3**	7,8	6

Business performance *(continued)*

Distribution

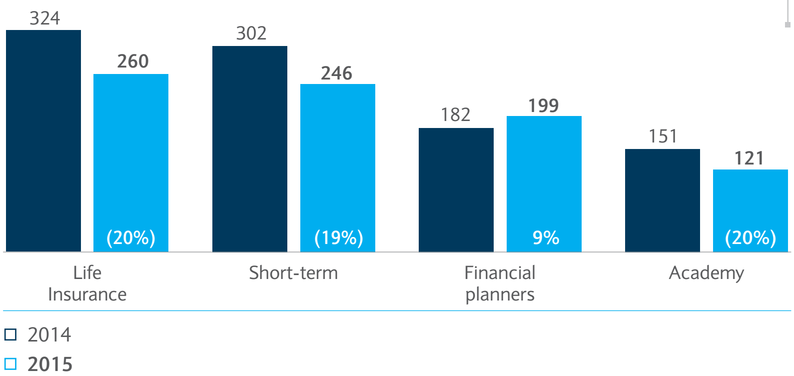
In spite of challenging economic conditions and further adviser attrition, Distribution generated value to our product houses in the form of R3,6bn net asset flows into Wealth and Investment Management funds, R64m of embedded value to Life Insurance from new policies and R726m premium income to Short-term Insurance from the in-force book. Distributions' net revenue grew by 8% mainly by maintaining revenue levels in the face-to-face channel, increasing revenue from our direct distribution business and increased investment returns as a result of balance sheet growth.

Remuneration paid to our sales force as a percentage of gross revenue decreased by 3% to **59%** (2014: 62%). Operating expenses decreased by 5% to **R475m** (2014: R501m) due to a continued focus to rationalise costs post implementation of the revised operating model. The net impact of savings made in operating expenses and commission expenses, combined with muted sales volumes, resulted in headline earnings of **R9m** (2014: R56m loss) for the reporting period.

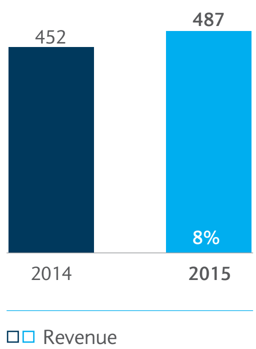
We have continued our investment in the development of our new channels including:

- New talent through our adviser academy;
- Growing our financial planner footprint by 9% to 199;
- Expanding our omni-channel distribution capability; and
- Embedding our new operating model to optimise client experience and net flows.

Distribution force (number and change %)



Revenue (Rm and change %)



Terminating lines of business

A turnaround strategy was implemented to review the short-term insurance business. Due to the significant claims volatility and sub-cost of capital economic returns, the decision was taken to exit the agricultural crop business. Policies relating to the 2014/2015 season will be underwritten by Absa Insurance, however, 100% of the underwriting risk is reinsured. Policies relating to the 2015/2016 season will be underwritten by the acquirer. The existing Absa Insurance crop team has formed an Underwriting Management Agency and continues to offer their services to Absa clients and the crop insurance market in general.

Salient features	**2015**	2014	Change %
Gross premium income (Rm)	**35**	474	(93)
Net premium income (Rm)	**(79)**	121	<(100)
Underwriting surplus (Rm)	**21**	48	(56)
Underwriting margin (%)[1]	**(11,9)**	25,7	
Loss ratio (%)	**59,0**	78,6	
Solvency margin (%)	**(81,3)**	40,6	
NAV (Rm)	**64,5**	49,0	32

WIMI
for the reporting period ended 31 December

Looking ahead

Our aim is to be the preferred non-banking financial services provider (including wealth, investment management, insurance, trust and employee benefits solutions) to Barclays Africa and other partners on the continent. Our strategy remains in place and we have made progress with the execution of our key priorities. We are, however, shifting focus from foundation activities to accelerate growth through customer focus and digital enablement. Our main effort is to grow assets under management and premium income through the following key execution priorities:

- Improved cross-sell between WIMI and RBB by:
  - Enhancing our bancassurance relationship with the bank through joint management structures, joint performance objectives and closer collaboration;
  - Growing our internal and external distribution capabilities in relevant and new channels; and
  - Continuously building our market presence to enhance our penetration of the bank customer base ("more than a bank").
- Continue to drive growth in selected markets across the African continent through:
  - Entry into remaining target markets;
  - Targeted expansion and improved cross-sell penetration of channels and product propositions in existing Africa markets and
  - Targeted development of external partners for scale.
- Build a customer-centric culture and competence in line with our Group ambition.
- Enable our asset-gathering ambition through technology, digital enablement and automation.
- Build out our data capabilities and insights-led sales as a key strategic asset.
- Ongoing development of a diverse and high-performance team.
- Embed the right culture and operating model for customer-centricity, improved efficiencies and an appropriate control environment.

Risk management

Contents

Risk management overview
for the reporting period ended 31 December

Effective risk management and control are essential for sustainable and profitable growth

The role of risk management is to evaluate, respond to, and monitor risks in the execution of our strategy. It is essential that business growth plans are supported by an effective Enterprise Risk Management Framework (ERMF). Risk culture is closely aligned to that of the business. The Risk Function retains independence in analysis and decision-making.

The approach to managing risk is outlined in the ERMF, which creates the context for setting policies and standards, and establishing the right practices throughout the Group. It defines the risk management process and sets out the activities, tools, techniques and organisational arrangements to ensure that material risks can be optimally identified and managed. It also ensures that appropriate responses are in place to protect the Group and prevent detriment to its stakeholders.

The ERMF includes those risks taken by the Group that are foreseeable, and material enough to merit establishing specific group-wide control frameworks. These are known as key risks and are grouped into five principal risks.

The three lines of defence operating model, which has been defined in the ERMF, enables the appropriate assignment of risk management activities between those parties that:

- Own and take risk, and implement controls (first line);
- Oversee and challenge the first line, providing independent risk management activity and support controls (second line); and
- Provide assurance that risk processes are fit for purpose, and that they are being carried out as intended (third line).

The ERMF enables businesses and functions to be organised along the three lines by formalising independence and challenge, whilst promoting collaboration and the flow of information between all areas.

Review of 2015

Overall performance continued to be sound with all risk and capital measures remaining within the Board-approved risk appetite.
Key highlights included:

- Macro-economic conditions deteriorated significantly towards the end of the year. The Group extended its framework of macro-economic triggers and management actions in response.
- Loans and advances to customers increased 11%, driven by growth in Wholesale, Card and rest of Africa portfolios.
- The impairment loss ratio increased to 105bps (2014: 102bps) and impairment charges increased to R6.9bn (2014: R6.3bn). Increases in the Wholesale and Card portfolios, and additional macroeconomic provisions (R418m) were offset by lower charges in the mortgages and Edcon portfolios.
- Overall coverage on performing loans increased to 73bps (December 2014: 70bps).
- Market risk exposures remained within overall risk appetite notwithstanding volatile market conditions.
- Total operational risk and fraud losses were lower than 2014, with fraud losses accounting for 71% of the total.
- The Group remained capitalised above the minimum regulatory limit and the Board-approved CET1 target range. The liquidity position remained healthy and supports the year-end dividend.
- The Group developed and implemented an approach to the management of conduct risk.
- Absa Financial Services submitted its Own Risk and Solvency Assessment (ORSA) to the Financial Services Board.

Future priorities

- Review and alter risk appetite to take account of global and local macroeconomic deterioration.
- Increase focus on model risk and governance across the group.
- Continue to strengthen operational risk controls and infrastructure, specifically in the areas of IT, financial crime, and cybercrime.
- Enhance conduct risk management controls, tools and reporting.
- Increase focus upon data initiatives, including those arising from regulation (e.g. BCBS 239, and IFRS 9).

Risk appetite

Risk appetite and stress testing are key components of the Group's management of risk and are embedded as part of the strategic planning process. The risk appetite statement describes and measures the amount and types of risk that the Group is prepared to take in executing its strategy. The Group's risk appetite framework combines a top-down view of capacity to take risk with a bottom-up view of the risk profile associated with each business area's plans.

Risk appetite key indicators and triggers

The Group manages its risk profile in a forward-looking manner through a trigger and management action framework. Key indicators and triggers have been developed to serve as an early warning system in the event of deteriorating circumstances. The indicators include, inter alia, economic indices directly correlated with risk measures and key financial indicators. The indicators and triggers have been implemented at Group, Business Unit, country, and product levels, and are routinely monitored by management and reported to the GRCMC on a quarterly basis.

Stress testing

Stress testing is a key element of the Group's integrated planning process. Through the use of stress testing and scenario analysis, the Group is able to assess the performance of the Group's portfolios in the expected economic environment and also evaluate the impact of adverse economic conditions.

Actual market stresses, which have been experienced throughout the financial system in recent years, have been used to inform the Group's capital planning process and enhance the stress scenarios employed. The Group takes into account the results of all such stress testing when assessing the Group's internal and regulatory capital requirements including the setting of capital buffers.

GRCMC exercises governance oversight and approval authority over stress testing results.

.

Risk management overview
for the reporting period ended 31 December

Credit risk

The risk of financial loss should the Group's customers, clients or market counterparties fail to fulfil their contractual obligations.

Credit risk: Wholesale[1]

	Trend	2015 %	2014 %
Growth in loans and advances	▲	**22,9**	3,5
Risk-weighted assets (RWA) as a percentage of gross credit extended[2,3]	▼	**29,2**	34,2
NPLs as a percentage of gross loans and advances	▼	**2,7**	3,0
NPLs' coverage ratio	▲	**36,8**	35,0
Credit loss ratio	▲	**0,6**	0,4

- Loans and advances: growth was robust at **22,9%** with increases in banking, technology, media and telecoms, agriculture and mining portfolios. Geographic diversification continued across Africa.
- RWA as a percentage of gross credit extended: decreased due to an increase in derivative instruments arising from an increase in gross credit extended.
- NPLs[4]: increased due to new defaults at higher coverage in rest of Africa and Business Bank. NPL coverage ratio increased to **36,8%** (2014: 35%).
- Impairments: the Wholesale credit impairment charge increased to **R1 434m** (2014: R843m) due to new impairments in rest of Africa and macroeconomic provisions of R228m.

Future priorities

- Closely monitor risk trends arising as a result of macroeconomic uncertainty.
- Undertake regular portfolio reviews.
- Ensure continuing alignment of business strategy with risk appetite.
- Implement agreed management actions in response to changing economic conditions.
- Implement enhanced models and data management.

Retail credit risk: Retail

	Trend	2015 %	2014 %
Growth in loans and advances	▼	**3,2**	5,5
Risk-weighted assets (RWA) as a percentage of gross credit extended[2,3]	▲	**33,4**	32,6
NPLs as a percentage of gross loans and advances	▼	**4,7**	4,9
NPLs' coverage ratio	▼	**45,6**	45,9
Credit loss ratio	▼	**1,35**	1,41

- Growth: the Home Loans 0,5% net decrease was offset by 2% growth in Card, 3% growth in AVAF and 19,5% growth in rest of Africa.
- RWA as a percentage of gross credit extended: increased to **33,4%** from 32,6% due to new model development.
- NPLs: continued to decrease due to R1,6bn decline in the Home Loans legal book. The NPL coverage ratio decreased to **45,6%** (2014: 45,9%) due to write-offs in mortgages, and AVAF. This was offset by an increase in Credit Cards due to terminations into debt counselling (DC) legal book.
- Impairments: The impairment charge remained flat in spite of additional macroeconomic provisions of R150m. The credit loss ratio reduced to **1,35%** from 1,41% reflecting improvements in the quality of the Home Loans and Edcon portfolios. The loss ratio decreased in Home Loans, VAF, Edcon and Consumer Banking while it increased in Card.

Notes
1 Wholesale incorporates CIB, BB and WIMI for South Africa and rest of Africa.
2 Gross credit extended includes off-balance sheet exposures as well as exposures to banks and sovereigns.
3 The percentages include only portfolios subject to the internal ratings-based approaches.
4 In terms of Regulation 43 an analysis of impairment and NPLs are required. The analysis of impairment disclosures were made in the Group's annual financial statements. Please refer to note 63.2 for the IFRS 7 analysis for impairments. An analysis of the NPL was disclosed in the Group's booklet. Please refer to note 4 for the NPL disclosure.

Credit risk *(continued)*

Future priorities

- Further enhance collection programmes to ensure appropriate management of customers in financial difficulty.
- Continue to focus on models/analytics to improve the Group's risk profile, measurement and risk-adjusted returns.
- Continue to improve internal risk measurement models and processes as part of the ICAAP.
- Closely monitor risk trends arising as a result of macroeconomic uncertainty.

Market risk

The risk that the Group's earnings, capital or business objectives will be adversely impacted by changes in the level or volatility of market rates or prices.

- Traded market risk: the risk of the Group being impacted by changes in the level or volatility of positions in trading books, primarily in the Investment Bank.
- Non-traded market risk: the risk of the Group's earnings or capital being reduced due to the market risk exposure from banking book positions which may arise net of hedging activities.
- Insurance risk: the risk that future experiences relating to claims, expenses, policyholder behaviour and investment returns are different from the assumptions made when setting premiums or valuing policyholder liabilities.
- Pension risk: the risk that arises when an adverse movement between pension assets and liabilities results in a pension deficit.

	Trend	2015	2014
Average traded market risk – daily value at risk (Rm)[1]	▲	**27,0**	22,3
Traded market risk regulatory capital (at 10% of RWAs) (Rm)	▲	**2 501**	2 178
Banking book annual earnings at risk for a 2% interest rate shock (% of Group net interest income)	▲	**<6%**	<5%
Insurance short-term loss ratio (%) RSA only	▼	**69,4**	70,9
Life insurance new business margin (%) RSA only	▼	**5,5**	6,6

- Traded market risk: trading exposures were managed within overall risk appetite and the trading business remained resilient despite macroeconomic conditions. The increase in average DVaR and Regulatory Capital was a result of increased volatility in the markets especially in the second half of the year.
- Non-traded market risk: the Group remained positively exposed to increases in interest rates after the impact of hedging. Basis risks continue to prevail across rest of Africa. Interest rate risk management in rest of Africa remains challenging due to the availability of relevant derivative instruments to hedge.
- Insurance risk: the first Own Risk and Solvency Assessment (ORSA) report was submitted to the Financial Services Board, highlighting risk management process improvements.
- Pension risk: pension plans and benefits are provided in all presence countries. The Absa Pension Fund remains the largest fund. The overall funding level of the schemes improved in the current year. Following the Absa pension fund investment strategy review, the Liability Driven Investment (LDI) Strategy was implemented.

Future priorities

- Respond to regulatory and capital change, specifically preparing for the adoption of the fundamental review of the trading book.
- Continue to reduce margin volatility through the on-going structural hedge programme in South Africa.
- Develop the pension risk appetite for all the Group's pension schemes in 2016.

Note

[1] Daily value at risk for rest of Africa is based on a historical simulation model that uses sensitivity-based inputs rather than full revaluation as is done for South Africa.

Risk management overview
for the reporting period ended 31 December

Funding risk

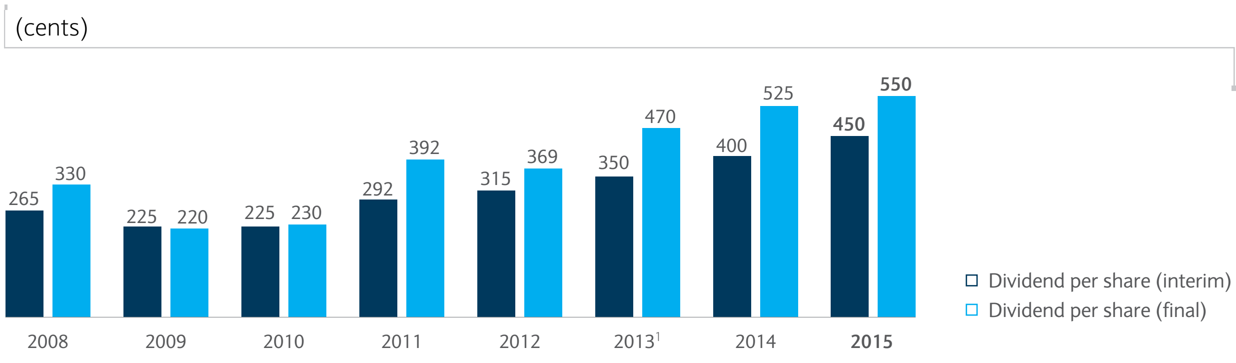
The risk that the Group is unable to achieve its business plans as a result of capital and liquidity risk:

- Capital risk: the risk that the Group is unable to maintain adequate levels of capital. This could lead to an inability to support business activity, a failure to meet regulatory requirements, and/or changes to credit ratings, which could also result in increased costs or reduced capacity to raise funding.
- Liquidity risk: the risk that the Group is unable to meet its obligations as they fall due.

Funding Risk: Capital risk

The capital management process includes:

- Meeting capital ratios required by regulators and the target ranges approved by the Board.
- Maintaining an adequate level of capital resources prudently in excess of regulatory and economic capital requirements.
- Maintaining a sustainable dividend to maximise shareholder value.



		Trend	2015 %	2014 %
Cost of Equity[2]		▲	**13,75**	13,50
Total RWA		▲	**702 663**	619 705
Common Equity Tier 1 capital adequacy ratio	Board target range 9,5 – 11,5%	=	**11,9**	11,9
RoRWA		▼	**2,18**	2,22
Return on average economic capital		▼	**19,0**	20,4
RoE		▲	**17,0**	16,7

- Cost of equity: increased to **13,75%** from 13,50% with effect from January 2015 due to a higher risk-free rate.
- Risk-weighted assets: increased by 13,4% to **R702,7bn** (2014: R619,7bn) as regulatory requirements increased and the economic environment negatively impacted certain credit portfolios. This was partly offset by RWA precision initiatives.
- Capital: remained above the minimum regulatory limit and the Board-approved CET1 target range.

Future priorities

- Ensure all entities remain adequately capitalised relative to minimum regulatory requirements and within Board-approved target capital ranges.
- Further improve the approach to capital management:
  - continue focus on RWA precision;
  - enhance the economic capital framework;
  - embed performance metrics such as positive net generation of equity and return on equity;
  - maintain an optimal capital supply mix; and
  - allocate capital appropriately.
- Continue engagement with the South African Reserve Bank to finalise the Total Loss Absorbing Capacity requirements as part of the Resolution Framework for South Africa.

Notes

[1] A special dividend of 708 cents per share was declared in July 2013.
[2] The average CoE is based on the capital asset pricing model.

Funding risk *(continued)*

Funding risk: Liquidity risk

The liquidity risk management process includes:

- Management of the overall funding position, including development of the funding plan.
- Liquidity risk monitoring.
- Intra-day liquidity risk management.
- Contingency liquidity planning.
- Regulatory compliance.

	Trend	2015	2014
Sources of liquidity (Rm)		**199 024**	175 836
High quality liquid assets	▲	**105 332**	88 537
Other liquid assets[1]	▼	**31 640**	31 841
Other sources of liquidity	▲	**62 052**	55 458
Long term funding ratio (%)	▼	**21,0**	21,9
Loan-to-deposit ratio (%)	▼	**86,1**	87,1
Liquidity coverage ratio (%)[2]		**69,9**	

- Liquidity risk position: remained healthy and within key limits and metrics. Since 1 January 2015, the Group continuously maintained a liquidity coverage ratio (LCR) in excess of 60%.
- Loan-to-deposit ratio: decreased 1% to **86,1%** primarily driven by increased debt securities in issue.
- The net stable funding ratio (NSFR): will become effective on 1 January 2018.

Future priorities

- Manage the funding and high quality liquid asset position in line with the Board-approved liquidity risk appetite framework and regulatory liquidity requirements.
- Continue to grow and diversify the funding base to support asset growth and other strategic initiatives.
- Continue to work with regulatory authorities and other stakeholders on the NSFR, Recovery and Resolution, and Deposit Guarantee Schemes.

Operational risk

Operational risk arises when there is potential for direct and indirect loss resulting from human factors, inadequate or failed internal processes, systems or external events.

	YoY trend	2015	2014
Total losses as a percentage of gross income (%)	▼	**0,8**	1,1
Total losses (Rm)	▼	**541**	735
Operational RWA (Rm)	▲	**98 668**	92 942

Total operational risk losses for 2015 were within the Group's appetite and lower than 2014. Fraud losses are lower than 2014 and decreasing ahead of industry trends. Fraud losses continue to be the main contributor to operational risk losses, amounting to 71% of total losses.

The increase in Operational Risk RWA is due to an increase in the Standardised Approach (TSA) capital, driven by increased operating income.

- Technology risk: significant investments have been made in upgrading infrastructure and disaster recovery capabilities resulting in improved system stability.
- Fraud risk: plastic fraud losses remain the major contributor to overall fraud losses, but these have improved and stabilised across all card portfolios. Lending fraud has increased and is being monitored closely.

Notes

[1] Rest of Africa.

[2] The Group LCR represents the simple average of the relevant three month-end data points prior to year end. Surplus high quality liquid asset holdings in excess of the minimum requirement of 60% have been excluded from the aggregated high quality liquid asset number in the case of all rest of Africa banking entities.

Risk management overview
for the reporting period ended 31 December

Operational risk *(continued)*

- Information risk: further progress has been made in enhancing protection of secret and confidential data by improving logical access controls.
- Financial crime: satisfactory progress has been made on remediating customer identification and verification issues, customer on-boarding processes, improved customer document retrieval capability as well as improved suspicious transaction monitoring outside South Africa. Automated processes and controls are applied where possible.

Future priorities

- Technology risk: Continue to invest in technology to improve and maintain technology resilience. Continue focus on cyber risk management.
- Financial crime risk: Financial Crime compliance will be strengthened through further investment in technology and transforming the customer on-boarding processes.
- Fraud risk: Improve the Group's fraud capability with a focus on digital banking, branch network and operations in the rest of Africa.
- Business continuity management: Challenges to energy and water supply are being closely monitored, and plans developed.

Conduct risk

Conduct risk is the risk that detriment is caused to customers, clients, counterparties or the Group because of inappropriate judgement in the execution of business activities.

Review of 2015

The key themes identified in conduct material risk assessments were:

- Resilience of technology.
- Continued levels of regulatory change.

In addition, the Group managed a number of conduct and reputation risks:

- A number of accounts deemed to be non-compliant with know your customer (KYC) regulations were blocked with a consequent negative impact on the customer experience.
- The Bank closed several branches in line with a strategic drive to implement a multi-channel solution. Stakeholders' responses were monitored and used to inform the engagement strategy.
- The Group managed reputation risk associated with both internal and external fraud.
- Implementation of the National Credit Act Amendments that came into effect on 13 September 2015.
- The Group considered significant events and issues in the remuneration decisions of individuals and on bonus pools.

Future priorities

- Increase focus on improving overall regulatory controls, particularly those related to know your client, anti-money laundering, and the National Credit Act.
- Embed material risk assessments and forward-looking Conduct risk reporting across the organisation.
- Enhance controls and key performance indicators to track and manage Conduct risk.
- Maintain a robust awareness and understanding of drivers of political, regulatory and policy changes across the continent and manage changes to minimise customer impact.
- Assess the impact of Twin Peaks regulatory model and specifically the Retail Distribution Review proposals.

Review of 2015

- The Group maintained a strong capital adequacy position above the Board-approved CET1 target range.
- Regulated entities within the Group (including insurance entities and banking subsidiaries in the rest of Africa) remained adequately capitalised above the minimum capital requirements during the period under review.
- R2,0 billion call of the AB06 bond qualifying as Tier 2 on 27 March 2015.
- R2,5 billion issuance of bonds qualifying as Tier 2 on 4 February 2015 at holding company and Absa Bank level.
- R2,0 billion issuance of bonds qualifying as Tier 2 on 3 September 2015 at holding company and Absa Bank level.
- RWA precision and capital allocation remain key focus areas for the Group.
- The net generation of equity resulted in dividend growth and stable capital adequacy.
- The 2016 Board-approved CET 1 and Tier 1 capital target ranges remained unchanged from the prior year whilst the lower and upper end of the CAR capital target range was increased by 50bps.

Key performance indicators

Group	Trend	2015 %	2014 %
Common Equity Tier 1 capital adequacy ratio[1]	=	**11,9**	11,9
Return on average risk-weighted assets	▼	**2,18**	2,22
Return on average economic capital	▼	**19,0**	20,4
Cost of Equity [2]	▲	**13,75**	13,50

Absa Bank Limited[3]	Trend	2015 %	2014 %
Common Equity Tier 1 capital adequacy ratio[1]	▼	**10,3**	10,6
Return on average risk-weighted assets	▼	**2,02**	2,05

Future priorities

The Group's strategic focus is to maintain an optimal mix of high-quality capital, while continuing to generate sufficient capital to support profitable growth. As in the current reporting period, RWA precision, generation of equity and capital allocation remain key focus areas for the Group. The Group is also focusing on developing the markets for Tier 2 capital in the African markets in which the Group operates.

Strategy

In alignment with and in support of the overall Group strategy, capital management objectives are to:

- Maximise shareholder value by optimising the level and mix of capital resources and the utilisation of those resources.
- Meet regulatory capital ratios and the Board approved target ranges.
- Maintain an adequate level of capital resources in excess of both regulatory capital and economic capital requirements.
- To increase business and legal entity accountability for the use of capital and, where relevant, the use of capital per client or portfolio.
- Assess, manage and efficiently implement regulatory changes to optimise capital usage.
- Maintain a strong credit rating.

Internal capital adequacy assessment process ("ICAAP")

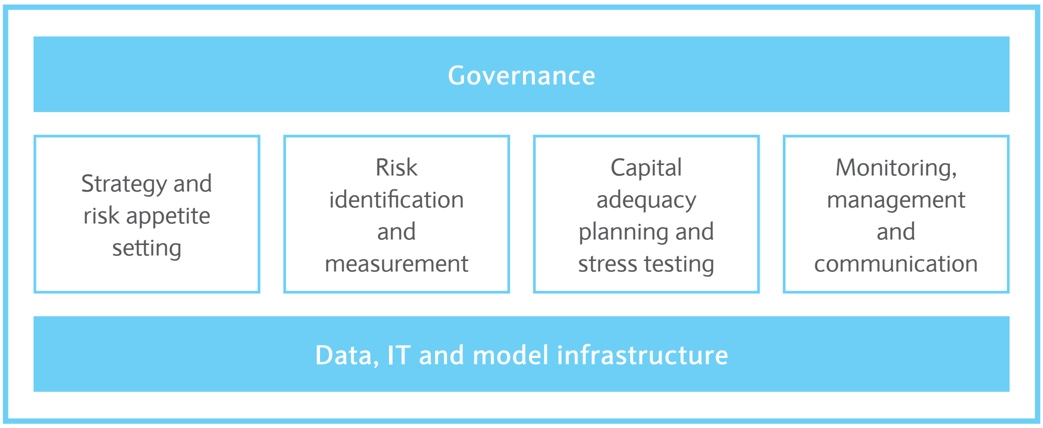
The efficient use of capital is fundamental to enhance shareholder value through careful deployment of capital resources. The ICAAP framework ensures that internal systems, controls and management information are in place to enable the Board and senior management to track changes in the economic environment, which may require adjustments to the business strategy in order to remain within the risk appetite. Furthermore, ICAAP reflects the level of capital required to be held against identified material risks the Group is, or may become exposed to, as a result of its strategy. From a Group consolidated perspective, capital adequacy is considered for each regulated entity as well as the Group. Capital management is an integral part of decision making within the Group. Progress is measured against pre-determined targets in the balanced scorecard which incorporates capital metrics. Decisions on the allocation of capital resources, which are an integral part of the ICAAP and capital management process, are based on a number of factors including return on regulatory capital.

Notes
[1] Reported ratios include unappropriated profits.
[2] The average CoE is based on the capital asset pricing model.
[3] From a Capital Management perspective Absa Bank Limited excludes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

Capital management
for the reporting period ended 31 December

Internal capital adequacy assessment process ("ICAAP") *(continued)*

The building blocks of the Group's ICAAP are as follows:



Business plans are prepared based on strategy and within the risk appetite approved by the Board. Expected capital supply on both a regulatory and economic basis is compared to current and future capital needs. Risks in the plans are identified, measured, and where relevant, mitigating actions are identified. The expected levels of capital supply and demand are tested through stress testing with the output being used to reconfirm the risk appetite. Management actions are identified to mitigate risks on a timely basis.

Stress testing is fundamental in assessing appropriate levels of capital to ensure the Group can absorb stress events to protect its depositors and other stakeholders in line with Board-approved risk appetite. The expected macroeconomic and business scenarios are used as a baseline when performing financial forecasting. Stress scenarios are overlaid on the financial forecasts in order to assess the impact on business strategy.

Management actions are identified to mitigate risks on a timely basis through early warning indicators (EWIs). Corrective action is taken when warning indicators flag potential future challenges. These actions include:

- Portfolio management: Actively changing the portfolio construct in order to optimise capital through both acquisition and disposal strategies consistent with ICAAP or Recovery Planning.
- Risk management in terms of risk mitigation, precision of risk assessment, and optimal structure of products.
- Cost management.
- Dividend management. The Board considers dividend payments after careful review of business plans, growth objectives, and environmental factors.

The capital target ranges, which are derived through the stress testing process, are used in capital allocation, hurdle setting, performance measurement, risk adjusted remuneration, limit monitoring, RWA management and pricing. The results from the most recently conducted stress and scenario testing and budgeting process confirm that the Group's capital levels and capital buffers, both current and forecast (both regulatory capital and the Group's internal capital assessment, economic capital), remain appropriate. The Group believes that it is appropriately capitalised relative to its strategy, risk appetite, risk profile, business activities and the macro-economic environment in which it operates.

The Group's solid Basel III capital and leverage[1] ratios remain well in excess of the SARB's minimum requirements and are monitored continuously.

While the ICAAP is intended to align with regulatory requirements under Pillar 1 and Pillar 2 of the regulatory framework, the main guiding principle in designing the ICAAP has been suitability for capital management and other internal applications. The Group considers the ICAAP to be in line with international practice and is of the opinion that it addresses the core banking principles of Pillar 2.

Recovery and resolution planning

The Group has a Board-approved Recovery Plan in place which was developed in line with SARB guidance, detailing potential options available to restore capital, liquidity and balance sheet positions during times of stress.

On 13 August 2015 the National Treasury, the SARB and the Financial Services Board published South Africa's Resolution Framework for Financial Institutions which is still in the process of being finalised. The main objectives of an effective Resolution regime are to minimise the cost from the failure of a financial institution, reduce moral hazard, and protect financial stability.

Note

[1] Basel III leverage is a non-risk sensitive ratio used to restrict the build-up of leverage in the banking sector to avoid destabilising deleveraging processes that can damage the broader financial system and the economy.

Capital transferability

The Group's capital policy stipulates that capital held in the Group's entities in excess of Board-approved target ranges should be repatriated in the form of dividends and/or capital repatriation, subject to local regulatory requirements, exchange controls and strategic management decisions.

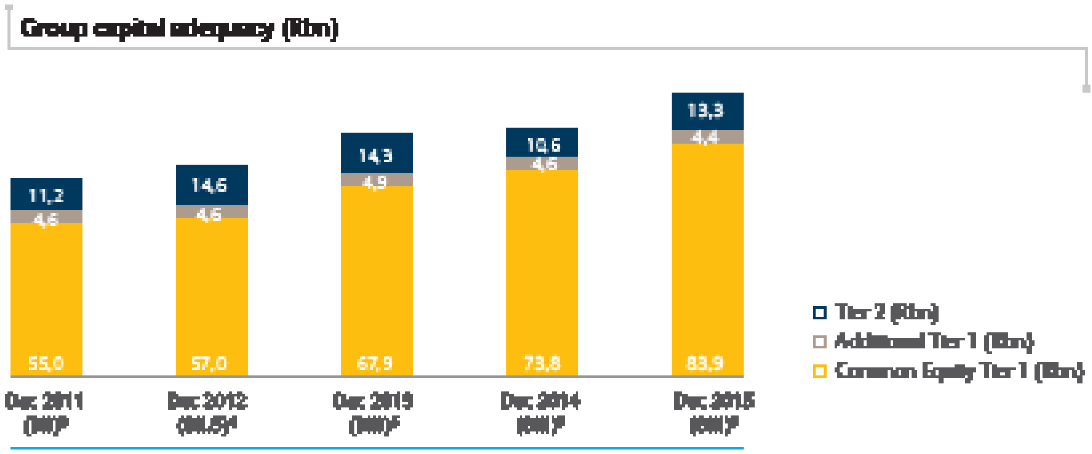
Apart from the above, the Group is not aware of any material impediments to the prompt transfer of capital resources or repayment of intra-group capital instruments when due.

Statutory capital adequacy

The capital management process in the Group encompasses all regulated entities within the Group (including insurance entities and banking subsidiaries in the rest of Africa). Appropriate capital buffers, above the minimum regulatory requirements, are held at an entity level. The Group ensures that all regulated entities are adequately capitalised in terms of their respective minimum capital adequacy requirements. The Group's target capital ranges for the current reporting period were set after considering the following:

- risk appetite;
- the preference of rating agencies for loss absorbing capital;
- stressed scenarios;
- Basel III amendments including capital conservation buffer, domestic-systemically important bank buffer; and
- peer analysis.

Group	Board target ranges %	Minimum regulatory capital requirements %	Trend	2015	2014
Capital adequacy ratios (%)[1]					
Common Equity Tier 1	9,5 – 11,5	6,5	=	**11,9**	11,9
Tier 1	10,5 – 12,5	8,0	▽	**12,6**	12,7
Total	12,5 – 14,5	10,0	△	**14,5**	14,4
Capital supply and demand for the reporting period (Rm)					
Net generated equity[2]			△	**1 261**	(487)
Qualifying capital			△	**101 628**	89 004
Total RWA			△	**702 663**	619 705



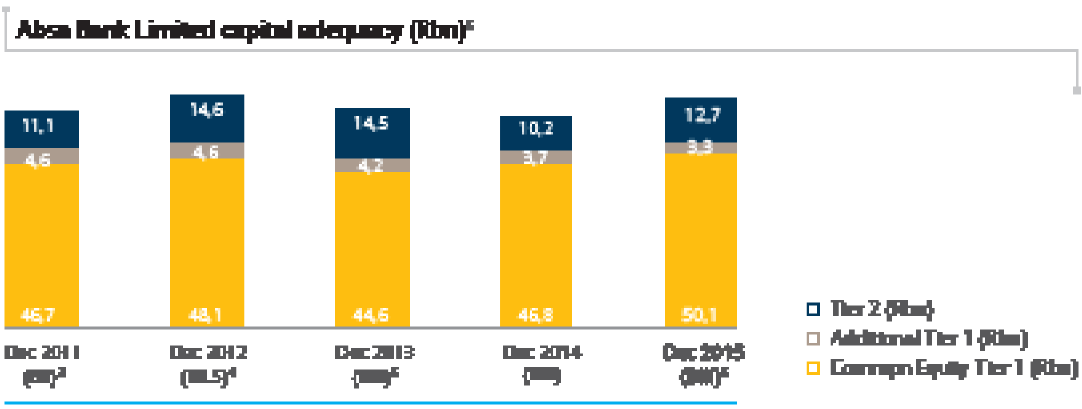
13,0	13,0	12,1	11,9	**11,9**	Common Equity Tier 1 Ratio (%)
16,7	17,4	15,5	14,4	**14,5**	Total Capital Adequacy Ratio (%)

Notes
[1] Reported ratios include unappropriated profits.
[2] Net generated equity for the December 2014 comparatives restated to reflect change in methodology.
[3] BII: Basel II
[4] BII.5: Basel II.5
[5] BIII: Basel III

Capital management
for the reporting period ended 31 December

Statutory capital adequacy *(continued)*

Absa Bank Limited[6]	Board target ranges %	Minimum regulatory capital requirements %	Trend	2015	2014
Capital adequacy ratios (%)[1]					
Common Equity Tier 1	9,0 – 10,5	6,5	▼	**10,3**	10,6
Tier 1	10,0 – 11,5	8,0	▼	**11,0**	11,4
Total	12,0 – 13,5	10,0	▼	**13,6**	13,7
Capital supply and demand for the reporting period (Rm)					
Net generated equity[2]			▼	**(232)**	113
Qualifying capital			▲	**66 059**	60 763
Total RWA			▲	**484 399**	443 955



12,1	12,5	11,0	10,6	**10,3**	Common Equity Tier 1 Ratio (%)
16,2	17,5	15,6	13,7	**13,6**	Total Capital Adequacy Ratio (%)

- The Group maintained capital ratios in excess of risk appetite post the financial crisis.
- The Group continued operating within its risk appetite post the implementation of Basel III.

Notes
1 Reported ratios include unappropriated profits.
2 Net generated equity for December 2014 comparatives restated to reflect change in methodology.
3 BII: Basel II.
4 BII.5: Basel II.5.
5 BIII: Basel III.
6 From a Capital Management perspective Absa Bank Limited excludes subsidiary undertakings, special-purpose entities,joint ventures, associates and offshore holdings.

Statutory capital adequacy *(continued)*

Capital demand

Group	2015 RWA Rm	2015 Minimum required capital Rm	2014 RWA Rm	2014 Minimum required capital Rm
Basel measurement approach				
Credit risk	**539 778**	**53 978**	468 705	46 870
Portfolios subject to the AIRB approach	**353 052**	**35 305**	325 213	32 521
Portfolios subject to the standardised approach	**162 161**	**16 216**	130 491	13 049
Securitisation	**482**	**48**	918	92
Counterparty credit risk[1]	**24 083**	**2 409**	12 083	1 208
Equity investment risk				
Market-based approach (simple risk-weighted approach)	**9 574**	**957**	13 737	1 374
Market risk	**25 012**	**2 501**	21 781	2 178
Standardised approach	**9 232**	**923**	9 399	940
IMA	**15 780**	**1 578**	12 382	1 238
Operational risk	**98 668**	**9 867**	92 942	9 294
BIA	**4 288**	**429**	4 180	418
TSA	**26 115**	**2 611**	21 341	2 134
AMA	**68 265**	**6 827**	67 421	6 742
Non-customer assets	**29 631**	**2 963**	22 540	2 254
	702 663	**70 266**	619 705	61 970
Pillar 1 requirement (8%)		**56 213**		49 576
Pillar 2a requirement (2%)		**14 053**		12 394

Note
[1] Counterparty credit risk amount as at 31 December 2014 and December 2015 reflects the net amount after applying the SARB's transitional exclusion of credit valuation adjustment emanating from Rand over-the-counter derivatives.

Capital management
for the reporting period ended 31 December

Statutory capital adequacy *(continued)*

Capital demand *(continued)*

Absa Bank Limited[2]	2015 RWA Rm	2015 Minimum required capital Rm	2014 RWA Rm	2014 Minimum required capital Rm
Basel measurement approach				
Credit risk	375 718	37 572	338 910	33 891
Portfolios subject to the AIRB approach	335 064	33 507	308 191	30 819
Portfolios subject to the standardised approach	16 833	1 683	17 847	1 785
Securitisation	482	48	918	92
Counterparty credit risk[1]	23 339	2 334	11 954	1 195
Equity investment risk				
Market-based approach (simple risk-weighted approach)	5 603	560	5 603	560
Market risk	20 539	2 054	18 260	1 826
Standardised approach	4 759	476	5 878	588
IMA	15 780	1 578	12 382	1 238
Operational risk	66 423	6 642	65 339	6 534
BIA	3 872	387	3 755	376
AMA	62 551	6 255	61 584	6 158
Non-customer assets	16 116	1 612	13 796	1 380
	484 399	48 440	443 955	44 396
Pillar 1 requirement (8%)		38 752		35 517
Pillar 2a requirement (2%)		9 688		8 879

Notes
[1] Counterparty credit risk amount as at 31 December 2014 and 31 December 2015 reflects the net amount after applying the SARB's transitional exclusion of credit valuation adjustment emanating from rand over-the-counter derivatives.
[2] From a Capital Management perspective Absa Bank Limited excludes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

Statutory capital adequacy *(continued)*

Capital supply

The Group's total qualifying capital supply for the reporting period increased by R12,6bn from 31 December 2014.

Breakdown of qualifying capital

Group	2015 Rm	2015 %[1]	2014 Rm	2014 %[1]
Common Equity Tier 1	77 640	11,0	65 714	10.6
Ordinary share capital	1 691	0,2	1 694	0.3
Ordinary share premium	4 250	0,6	4 548	0.7
Reserves[2]	72 568	10,3	63 554	10.2
Non-controlling interest	2 556	0,4	2 250	0.4
Deductions	(3 425)	(0,5)	(6 332)	(1.0)
Goodwill	(783)	(0,1)	(762)	(0.1)
Amount by which expected loss exceeds eligible provisions	(1 176)	(0,2)	(1 326)	(0.2)
Other deductions	(1 466)	(0,2)	(4 244)	(0.7)
Additional Tier 1 capital	4 413	0,7	4 572	0,8
Tier 1 capital	82 053	11,7	70 286	11,4
Tier 2 capital	13 302	1,9	10 603	1,7
Instruments recognised as Tier 2 capital	12 760	1,8	10 186	1,6
General allowance for impairment losses on loans and advances – standardised approach	542	0,1	417	0,1
Total qualifying capital (excluding unappropriated profits)	95 355	13,6	80 889	13,1
Qualifying capital (including unappropriated profits)				
Tier 1 capital	88 326	12,6	78 401	12,7
Common Equity Tier 1 (excluding unappropriated profits)	77 640	11,0	65 714	10,6
Unappropriated profits	6 273	0,9	8 115	1,3
Additional Tier 1	4 413	0,7	4 572	0,8
Tier 2 capital	13 302	1,9	10 603	1,7
Total qualifying capital (including unappropriated profits)	101 628	14,5	89 004	14,4

Leverage[3]

Group	2015
Leverage ratio exposure (Rm)	1 318 677
Leverage ratio (excluding unappropriated profit) (%)	6,2
Leverage ratio (including unappropriated profit) (%)	6,7
Board target leverage ratio (%)	≥4,5
Minimum required leverage ratio (%)	4

Notes
1 Percentage of capital to RWAs.
2 Reserves exclude unappropriated profits.
3 This publication represents the first full year public disclosure of the leverage ratio; therefore no comparative information is disclosed.

Capital management
for the reporting period ended 31 December

Statutory capital adequacy *(continued)*

Capital supply *(continued)*

Absa Bank Limited[4]	2015 Rm	2015 %[1]	2014 Rm	2014 %[1]
Common Equity Tier 1	**48 741**	**10,1**	42 556	9,6
Ordinary share capital	**303**	**0,1**	303	0,1
Ordinary share premium	**21 456**	**4,4**	16 465	3,7
Reserves[2]	**29 463**	**6,1**	29 731	6,7
Deductions	**(2 481)**	**(0,5)**	(3 943)	(0,9)
Amount by which expected loss exceeds eligible provisions	**(1 969)**	**(0,4)**	(1 816)	(0,4)
Other deductions	**(512)**	**(0,1)**	(2 127)	(0,5)
Additional Tier 1 capital	**3 251**	**0,6**	3 715	0,8
Tier 1 capital	**51 992**	**10,7**	46 271	10,4
Tier 2 capital	**12 677**	**2,6**	10 228	2,3
Instruments recognised as Tier 2 capital	**12 500**	**2,6**	10 000	2,2
General allowance for impairment losses on loans and advances – standardised approach	**177**	**0,0**	228	0,1
Total qualifying capital (excluding unappropriated profits)	**64 669**	**13,3**	56 499	12,7
Qualifying capital (including unappropriated profits)				
Tier 1 capital	**53 382**	**11,0**	50 535	11,4
Common Equity Tier 1 (excluding unappropriated profits)	**48 741**	**10,1**	42 556	9,6
Unappropriated profits	**1 390**	**0,2**	4 264	1,0
Additional Tier 1	**3 251**	**0,7**	3 715	0,8
Tier 2 capital	**12 677**	**2,6**	10 228	2,3
Total qualifying capital (including unappropriated profits)	**66 059**	**13,6**	60 763	13,7

Leverage[3]

Absa Bank Limited[4]	2015
Leverage ratio exposure (Rm)	**1 095 421**
Leverage ratio (excluding unappropriated profit) (%)	**4,7**
Leverage ratio (including unappropriated profit) (%)	**4,9**
Board target leverage ratio (%)	**≥4,5**
Minimum required leverage ratio (%)	**4**

Notes
1 Percentage of capital to RWAs.
2 Reserves exclude unappropriated profits.
3 This publication represents the first full year public disclosure of the leverage ratio; therefore no comparative information is disclosed.
4 From a Capital Management perspective Absa Bank Limited excludes subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings.

Economic capital adequacy

The economic capital ("EC") framework covers Basel III Pillar 1 risks as well as additional economic risks such as interest rate risk in the banking book. EC is an internal measure of the risk profile of the Group expressed as the estimated stress loss at a given confidence.

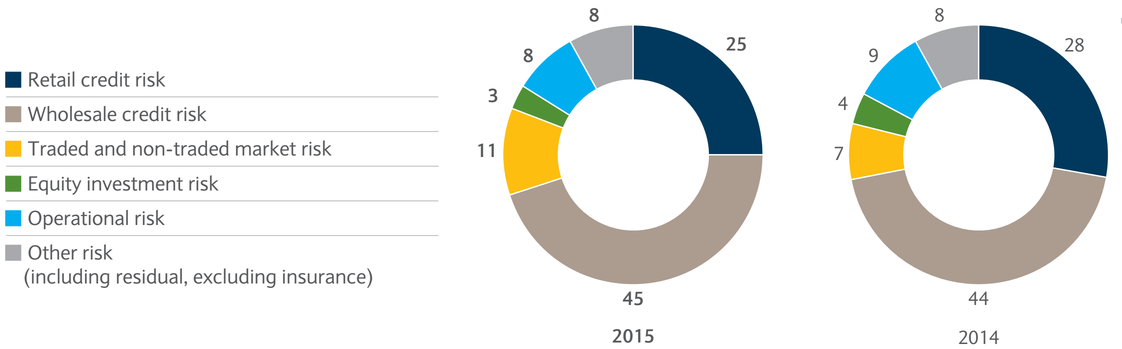
The total average EC demand requirement is determined through the use of internal risk assessment models and is compared to the EC supply to evaluate EC utilisation. The Group targets an internal EC supply versus EC demand minimum coverage ratio as part of the monthly management.

Aside from its application in capital management, EC is a key component of Group level and business unit level activity such as capital management, stakeholder communication, risk-adjusted performance measurement, pricing and structuring.

Economic capital demand

Group Capital demand	2015 Risk-weighted assets Rm	2015 Economic capital[1] Rm	2014 Risk-weighted assets Rm	2014 Economic capital[1] Rm
Credit risk	539 778	52 296	468 705	44 705
RBB	344 698	33 265	318 581	30 468
CIB	172 117	17 791	125 766	13 355
WIMI	6 566	391	6 006	328
Other	16 397	849	18 352	554
Equity investment risk	9 574	1 830	13 737	2 187
Market risk	25 012	8 349	21 781	4 364
Operational risk	98 668	5 872	92 942	5 646
Non-customer assets	29 631	6 850	22 540	6 544
	702 663	75 197	619 705	63 446

EC demand[2] (%)



Notes
[1] Represents the average required EC demand.
[2] Excludes insurance due to the difference in the confidence level resulting from insurance regulation.

Capital management

for the reporting period ended 31 December

Economic capital supply

The resources available to meet EC requirements are calculated as the average available shareholders' equity after adjustments including preference shares. The Group's EC calculations form the basis of its internal risk view used in the ICAAP. Funds available for EC are impacted by a number of factors that have arisen from the application of IFRS.

EC supply includes:

- ordinary shareholders' equity;
- retained earnings, whether appropriated or not;
- non-redeemable, non-cumulative preference shares;
- non-controlling interests; and
- other reserves.

The following are excluded from EC available financial resources:

- Cash flow hedging reserve: to the extent that the Group undertakes the hedging of future cash flows, shareholders' equity will include gains and losses that will be offset against the gain or loss on the hedged item when it is recognised in the statement of comprehensive income at the conclusion of the hedged transaction. Given the future offset of such gains and losses, they are excluded from shareholders' equity when calculating EC; and
- Other perpetual debt, preference shares and subordinated debt.

The following are deducted from EC supply:

- goodwill; and
- intangible assets

	2015			2014		
Group Total qualifying capital	**Share-holders' equity Rm**	**Economic capital Rm**	**Tier 1 regulatory capital Rm**	Share-holders' equity Rm	Economic capital Rm	Tier 1 regulatory capital Rm
Ordinary share capital and share premium	**5 941**	**5 941**	**5 941**	6 242	6 242	6 242
Preference share capital and share premium	**-**	**4 644**	**4 413**	—	4 644	4 572
Retained earnings	**75 785**	**75 785**	**73 026**	70 237	70 237	66 931
Other reserves	**7 567**	**9 438**	**5 815**	6 211	5 859	4 738
Non-controlling interest	**—**	**4 710**	**2 556**	—	3 611	2 250
Expected loss adjustment	**—**	**—**	**(1 176)**	—	—	(1 326)
Other deductions	**—**	**(3 772)**	**(2 249)**	—	(3 219)	(5 006)
	89 293	**96 746**	**88 326**	82 690	87 374	78 401
Average capital for the reporting period	**84 163**	**88 902**	**80 285**	78 009	82 414	74 690

Economic capital supply *(continued)*

Credit ratings[1]

	December 2015 Standard and Poor's		December 2015 Moody's	December 2015 Fitch Ratings	
	Absa Bank	Barclays Africa Group	Absa Bank	Absa Bank	Barclays Africa Group
National					
Short-term	zaA-1	zaA-1	Prime-1.za	F1+ (zaf)	F1+ (zaf)
Long-term	zaAA-	zaAA-	A1.za	AAA (zaf)	AAA (zaf)
Local currency					
Short-term	—	—	Prime-2	—	—
Long-term	—	—	Baa2	BBB+	BBB+
Outlook	—	—	Negative	Stable	Stable
Foreign currency					
Short-term	—	—	Prime-2	F3	F3
Long-term	—	—	Baa2	BBB	BBB
Outlook	—	—	Negative	Stable	Stable
Bank's financial strength	—	—	C-	—	—
Baseline credit assessment	—	—	baa2	—	—
Viability rating	—	—	—	bbb-	bbb-
Group credit profile	bbb-	bbb-	—	—	—
Outlook	—	—	Negative	—	—
Support	—	—	—	2	2
Counterparty Risk[1]	—	—	Baa1 (cr)/P-2 (cr)	—	—

Note

[1] The Counterparty Risk Assessment is an opinion of the counterparty risk related to a banks covered bonds, contractual performance obligations (servicing), derivatives, letters of credit, guarantees and liquidity facilities and was first assigned on 23 June 2015 following the publication of Moody's new bank rating methodology.

This page has been left blank intentionally

Appendices

Contents

Transition to Barclays Africa Group Limited

for the reporting period ended 31 December

The comparative results of the legacy Absa Group Limited have been restated to include the results of the African companies acquired. The following analysis is provided as supplementary information for understanding the performance of the two legacy groups in isolation, as well as on a combined basis.

	Barclays Africa Group Limited pre-acquisition			Barclays Africa acquisition and consolidation[3]		
	2015 Rm	2014 Rm	Change %	**2015 Rm**	2014 Rm	Change %
Statement of comprehensive income						
Net interest income	**30 579**	28 528	7	**7 828**	7 073	11
Non-interest income	**24 967**	24 283	3	**3 824**	3 241	18
Total income	**55 546**	52 811	5	**11 652**	10 314	13
Impairment loss on loans and advances	**(5 780)**	(5 675)	2	**(1 140)**	(615)	85
Operating expenses	**(31 119)**	(29 862)	4	**(6 543)**	(5 986)	9
Other	**(1 248)**	(1 231)	1	**(66)**	(39)	69
Operating profit before tax	**17 400**	16 043	8	**3 903**	3 674	6
Taxation expense	**(4 782)**	(4 340)	10	**(1 117)**	(1 233)	(9)
Profit for the reporting period	**12 619**	11 703	8	**2 786**	2 441	14
Profit attributable to:						
Ordinary equity holders of the Group	**12 029**	11 161	8	**2 302**	2 055	12
Non-controlling interest – ordinary shares	**269**	237	14	**483**	386	25
Non-controlling interest – preference shares	**321**	305	5	**—**	—	-
	12 619	11 703	8	**2 785**	2 441	14
Headline earnings	**11 984**	10 974	9	**2 303**	2 058	12
Operating performance (%)[4]						
Net interest margin on average interest-bearing assets	**4,41**	4,18		**8,37**	8,50	
Credit loss ratio	**0,97**	1,01		**1,78**	1,12	
Non-interest income as percentage of revenue	**44,9**	46,0		**32,8**	31,4	
Revenue growth	**5**	6		**13**	7	
Cost growth	**4**	7		**9**	9	
Cost-to-income ratio	**56,0**	56,5		**56,2**	58,0	
Statement of financial position						
Loans and advances to customers	**625 011**	575 605	9	**78 348**	60 721	29
Investment securities	**81 886**	81 165	1	**19 079**	15 953	20
Other assets	**275 870**	211 916	30	**64 410**	46 053	40
Total assets	**982 767**	868 686	13	**161 837**	122 728	32
Deposits due to customers	**571 230**	533 414	7	**117 189**	91 472	28
Debt securities in issue	**128 190**	105 218	22	**493**	880	(44)
Other liabilities	**204 838**	155 534	32	**24 017**	13 951	72
Total liabilities	**904 258**	794 166	14	**141 699**	106 303	33
Total equity	**78 509**	74 520	5	**20 138**	16 425	23
Total liabilities and equity	**982 767**	868 686	13	**161 837**	122 728	32

	Barclays Africa Group Limited pre-acquisition			Barclays Africa acquisition and consolidation[3]		
	2015[1]	2014[1]	Change %	**2015[2]**	2014[2]	Change %
RoE (%)	**17,3**	17,0		**15,7**	15,1	
Headline earnings per ordinary share (cents)	**1 670,5**	1 529,3	9	**1 778,4**	1 589,1	12
NAV per ordinary share (cents)	**10 019**	9 532	5	**13 542**	11 053	23
Tangible NAV per ordinary share (cents)	**9 548**	9 156	4	**13 149**	10 647	23

The headline earnings relating to the Barclays Africa acquisition grew by 12% relative to a 9% growth for Barclays Africa Group Limited pre-acquisition.

The RoE relating to the Barclays Africa Limited acquisition increased from 15,1% to 15,7% year on year. The increase in RoE is attributable to the 12% growth in headline earnings, countered by an increase in average equity of 8%.

Notes

[1] Calculations exclude shares issued by Absa Group Limited for the Barclays Africa Limited acquisition.
[2] Calculations based on Absa Group Limited share issue of 129 540 636 shares for Barclays Africa Limited acquisition to illustrate the per share values of the acquisition in isolation.
[3] Includes direct and indirect subsidiaries of the holding company, Barclays Africa Group Limited.
[4] These numbers have been restated, refer to the reporting changes overview on the inside cover page.

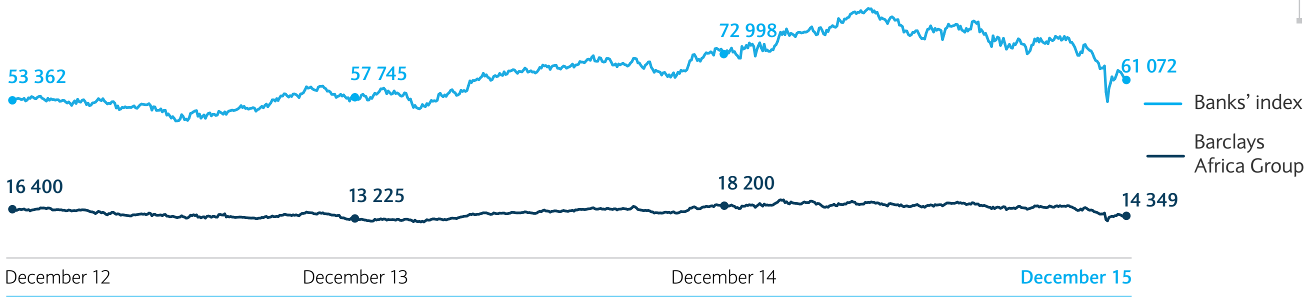
Barclays Africa Group Limited		
2015 Rm	2014 Rm	Change %
38 407	35 601	8
28 791	27 524	5
67 198	63 125	6
(6 920)	(6 290)	10
(37 662)	(35 848)	5
(1 314)	(1 270)	3
21 303	19 717	8
(5 899)	(5 573)	6
15 404	14 144	9
14 331	13 216	8
752	623	21
321	305	5
15 404	14 144	9
14 287	13 032	10
4,81	4,65	
1,05	1,02	
42,8	43,6	
6	6	
5	7	
56,0	56,8	
703 359	636 326	11
100 965	97 118	4
340 280	257 970	32
1 144 604	991 414	15
688 419	624 886	10
128 683	106 098	21
228 855	169 485	35
1 045 957	900 469	16
98 647	90 945	8
1 144 604	991 414	15

Barclays Africa Group Limited		
2015	2014	Change %
17,0	16,7	
1 687,2	1 538,4	10
10 558	9 764	8
10 112	9 384	8

Share performance

for the reporting period ended 31 December

Share performance (cents)



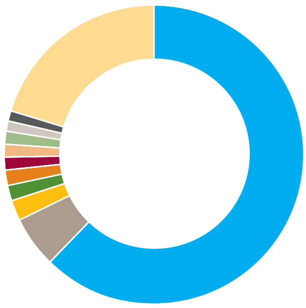
Share performance on the JSE

	2015	2014	Change %
Number of shares in issue, which includes 2 025 369 (2014: 880 000) treasury shares	**847 750 679**	847 750 679	
Market prices (cents per share):			
closing	**14 349**	18 200	(21)
high	**20 371**	18 452	10
low	**10 662**	12 207	(13)
average	**17 786**	15 670	14
Closing price/NAV per share (excluding preference shares) (%)	**1,36**	1,86	
Price-to-earnings ratio (closing price/HEPS) (%)	**8,5**	11,8	
Volume of shares traded (million)	**334,88**	319,57	5
Value of shares traded (Rm)	**58 640,7**	49 659,2	18
Market capitalisation (Rm)	**121 643,7**	154 050,8	(21)
Annual total return (%)	**(15,8)**	44,2	<(100)

Shareholder information and diary

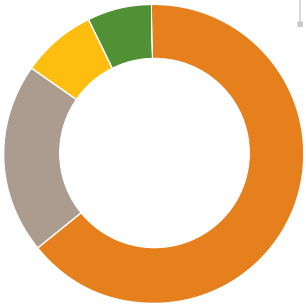
for the reporting period ended 31 December

Major ordinary shareholders % (top 10)



62,32	(62,32)	Barclays Bank PLC (UK)
5,60	(5,58)	Public Investment Corporation (SA)
2,18	(2,31)	STANLIB Asset Management (SA)
1,76	(1,67)	Old Mutual Asset Managers (SA)
1,57	(2,55)	Sanlam Investment Management (SA)
1,42	(1,60)	Dimensional Fund Advisors (US, UK, AU)
1,37	(1,30)	Prudential Portfolio Managers (SA)
1,28	(1,22)	Black Rock Inc (US)
1,21	(1,18)	The Vanguard Group Incorporated (US, AU)
1,16	(0,49)	Abax Investments (SA)
20,13	(19,78)	Other

Major shareholding split by geography (%)



64,3	(65,3)	United Kingdom
20,7	(21,7)	South Africa
7,9	(7,0)	United States and Canada
7,2	(6,0)	Other countries

Shareholder diary

Annual general meeting[1]	17 May 2016
Annoucement of the 2016 interim results[1]	2 August 2016
Financial year-end	31 December 2016

Dividend	Declaration date	Last day to trade	Ex-dividend date	Record date	Payment date
Final	1 March 2016	1 April 2016	4 April 2016	8 April 2016	11 April 2016
Interim[1]	2 August 2016	2 September 2016	5 September 2016	9 September 2016	12 September 2016

Note

[1] Subject to change.

Glossary

Amounts written off

Once an advance has been identified as impaired and an impairment allowance has been raised, circumstances may change and indicate that the prospect of further recovery does not exist. Write-offs will occur when, and to the extent that, the debt is considered irrecoverable. A write-off policy based on an age-driven concept drives the timing and extent of write-offs. A write-off can also be triggered by a specific event, such as the conclusion of insolvency proceedings or other formal recovery actions, making it possible to quantify the extent of the advance that is beyond a realistic prospect of recovery. Assets are only written off once all necessary procedures have been completed and the amount of loss has been determined. Recoveries of amounts previously written off, are reversed and accordingly decrease the amount of the reported impairment charge in the statement of comprehensive income.

Approaches (FIRB, AIRB, AMA and IMA)

Methods available to banks to calculate their regulatory capital requirements, based on their own risk estimates. These include the foundation internal ratings-based ("FIRB") and advanced internal ratings-based ("AIRB") approaches for credit risk, the advanced measurement approach ("AMA") for operational risk and the internal models approach ("IMA") for market risk.

Average interest-bearing assets

Average interest-bearing assets consist of all accounts that are not impaired and thus attract interest within the asset categories of cash, cash balances and balances with central banks, loans and advances to banks and customers and investment securities (including cash and short-term assets, money market assets and capital market assets).

Balance sheet

The term "balance sheet" is used in the same context as the "statement of financial position".

Bank

Absa Bank Limited, together with its subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings. It is also referred to as "the Bank" or "Absa Bank" in this report.

Banking average assets

Banking average assets consist of all average assets related to the banking activities of the Group. Banking average assets exclude "Other assets", "Current tax assets", "Non-current assets held for sale", "Reinsurance assets", "Goodwill and intangible assets", "Property and equipment" and "Deferred tax assets", and includes "Trading portfolio liabilities".

Banking book annual earnings at risk

A measure of the sensitivity of net interest income over a one-year horizon due to a change in the level of interest rates. Calculated as the difference between the estimated income using the current yield curve, and the lowest estimated income following an increase or decrease in interest rates. As per regulatory requirement, a 200 bps downward shock is applied.

Banking interest yield

Net interest income after credit losses, as a proportion of banking average assets.

Banking non-interest yield

Non-interest income as a proportion of banking average assets.

Banking revenue yield

Revenue as a proportion of banking average assets.

Banks Act

This means the Banks Act, No 94 of 1990 and its accompanying regulations relating to banks published in the *Government Gazette* on 12 December 2012.

Barclays

Barclays PLC, registered in England under registration number 1026167, and the majority shareholder of Barclays Africa Group Limited.

Basel Capital Accord (II, II.5 and III)

The Basel Capital Accord of the Bank for International Settlements is an improved capital adequacy framework aimed at closely aligning banks' capital requirements with improved modern risk management practices and sophisticated risk assessment capabilities. It further ensures the risk sensitivity of the minimum capital requirements by including supervisory reviews and market discipline through enhanced disclosure.

Glossary

Borrowed funds

Subordinated callable notes qualifying as long-term Tier 2 capital in terms of section 1 of the Banks Act, No 94 of 1990.

Capital adequacy ratio

The capital adequacy of South African banks is measured in terms of the requirements of the SARB. The ratio is calculated by the aggregate amount of qualifying capital and reserve funds dividend by RWA. The base minimum South African total capital adequacy ratio for banks is 10% of RWA. Non-South African banks in the Group have similar capital adequacy methodology requirements.

Capital – Common Equity Tier 1

Common Equity Tier 1 capital consists of the sum of the following elements:

- Common shares issued by Absa Bank Limited that meet the criteria for classification as common shares for regulatory purposes (or the equivalent for non-joint stock companies);
- Stock surplus (share premium) resulting from the issue of instruments including CET1;
- Retained earnings;
- Accumulated other comprehensive income and other disclosed reserves;
- Common shares issued by consolidated subsidiaries Absa Bank Limited and held by third parties (i.e., non-controlling interest) that meet the criteria for inclusion in CET1; and
- Regulatory adjustments applied in the calculation of CET1.

Capital – Additional Tier 1 capital

Additional Tier 1 capital consists of the sum of the following elements:

- Instruments issued by Absa Bank Limited that meet the criteria for inclusion in Additional Tier 1 capital (and are not included in CET1);
- Stock surplus (share premium) resulting from the issue of instruments included in Additional Tier 1 capital;
- Instrument issued by consolidated subsidiaries of Absa Bank Limited and held by third parties that meet the criteria for inclusion in Additional Tier 1 capital and are not included in Common Equity Tier 1. See section 4 for the relevant criteria; and
- Regulatory adjustments applied in the calculation of additional Tier 1 capital.

Capital – Common Equity Tier 1 capital adequacy ratio

A measurement of a bank's core equity capital compared with its total risk-weighted assets. This is the measure of a bank's financial strength. The Common Equity Tier 1 excludes any preference shares or non-controlling interests when determining the calculation.

Capital – Tier 2 capital

Tier 2 capital consists of the sum of the following elements:

- Instruments issued by Absa Bank Limited that meet the criteria for inclusion in Tier 2 capital (and are not included in Tier 1 capital);
- Stock surplus (share premium) resulting from the issue of instruments included in Tier 2 capital;
- Instruments issued by consolidated subsidiaries of Absa Bank Limited and held by third parties that meet the criteria for inclusion in Tier 2 capital and are not included in Tier 1 capital;
- Certain loan loss provisions such as general provisions/general loan-loss reserve; and
- Regulatory adjustments applied in the calculation of Tier 2 capital.

Capital – Tier 2 ratio

A component of regulatory capital, comprising qualifying subordinated loan capital, related minority interests, allowable collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available-for-sale. Tier 2 capital also includes reserves arising from the revaluation of properties.

Claims ratio

Net insurance claims and benefits paid as a percentage of net premium income.

Combined ratio

Insurance losses incurred and expenses as a percentage of insurance premiums earned.

Conduct risk

Conduct risk is the detriment caused to the Group's customers and clients, counterparties or Absa Bank Limited as a result of inappropriate execution of the business activities.

Glossary

Constant currency

The selected line items from the Condensed consolidated statement of comprehensive income and Condensed consolidated statement of financial position for the rest of Africa market segment disclosed on pages 60 and 89, are derived by translating the Statement of comprehensive income and Statement of financial position from the respective individual entities' local currencies to rand.

The current reporting period's results are translated at the current reporting period's average rates for the Statement of comprehensive income, while the closing rate is used for the Statement of financial position in terms of IFRS. In order to calculate the percentage change based on constant currency, the previous reporting period's results have also been translated at the current reporting period's average rates for the Statement of comprehensive income, while the current reporting period's closing rate has been used for the Statement of financial position. This has been done in order to provide investors with information on the impact of foreign currency movements on the local currency earnings.

The percentage change based on constant currency is provided for illustrative purposes only and may not fairly present the Group's financial position and/or the results of its operations. The directors are responsible for the preparation of the constant currency information.

An assurance report on the constant currency financial information prepared by the Group's auditors is available for inspection at the Group's registered office.

Cost-efficiency ratio

"Operating expenses" as a percentage of revenue. Revenue consists of net interest income and non-interest income, net of reinsurance, unearned premiums, net insurance claims and benefits paid, changes in investment and insurance contract liabilities and acquisition costs.

Cost of equity

An estimate of the return that the market demands in exchange for the risk of ownership of equity.

Cost-to-income ratio

"Operating expenses" as a percentage of revenue. Revenue consists of net interest income and non-interest income.

Coverage ratio

Impairment loans on losses and advances as a proportion of gross loans and advances

Credit risk

Credit risk is the risk of financial loss should the Group's customers, clients or market counterparties fail to fulfil their contractual obligations.

Credit loss ratio

Impairment losses on loans and advances for the reporting period, divided by total average advances (calculated on a daily weighted average basis).

Debt securities in issue

Short- to medium-term instruments issued by the Group, including promissory notes, bonds and negotiable certificates of deposits.

Diluted headline earnings per share

Headline earnings for the reporting period that is attributable to ordinary equity holders, as a proportion of the weighted average number of ordinary shares in issue adjusted for the effect of all potential dilutive ordinary shares.

Distribution force

Number of active advisers.

Dividend cover

Headline earnings per share divided by dividend per share.

Dividend per ordinary share relating to income for the reporting period

Dividend per ordinary share for the reporting period is the actual interim dividends paid and the final dividends declared for the reporting period under consideration, expressed as cents per share.

Special dividend per ordinary share is a payment made by the Group that is considered separate from the typical recurring dividend cycle, expressed as cents per share.

Earnings per share

Basic earnings per share

This constitutes the net profit for the reporting period, less earnings attributable to non-controlling interest, divided by the weighted average number of ordinary shares in issue during the reporting period.

Diluted basic earnings per share

The amount of profit for the reporting period that is attributable to ordinary equity holders, divided by the weighted average number of ordinary shares in issue during the reporting period, both adjusted for the effects of all potential dilutive ordinary shares, assuming they had been in issue for the reporting period.

Economic capital

An internally calculated capital requirement deemed necessary by the Group to support the risks to which it is exposed, at a confidence level consistent with a target credit rating of AA. Also used in the return of average economic capital calculation.

Embedded value

The embedded value of the covered business is the discounted value of the future after-tax shareholder profits (net of the opportunity cost of the required capital) arising from covered business in force at the valuation date, together with the adjusted net worth of the covered business. Covered business is taken to be all long-term insurance business written under the Group's licence.

The free surplus is the excess of assets over the sum of liabilities and required capital, with assets at market value and liabilities on the statutory valuation method, adjusted to add back inadmissible assets. The required capital is taken to be two times the statutory capital adequacy requirement, in line with the results of internal capital models and the Group's dividend policy.

Exchange differences

Differences resulting from the translation of a given number of units of one currency into another currency at different exchange rates.

Financial Markets Act

This means the Financial Markets Act No 19 of 2012 and its regulations. This Act is the primary legislation governing the regulation of financial markets, market infrastructure and securities services in South Africa. It focuses primarily on the licensing and regulation of exchanges, central securities depositories, clearing houses, trade repositories and market infrastructure. The Act also strengthens measures already in place aimed at prohibiting insider trading and other market abuses.

Foreign currency translation

Foreign currency accounts of the Group's subsidiaries translated to reporting currency, with the foreign adjusted currency translation included in a foreign currency translation reserve as equity capital.

Funding risk

Funding risk is the risk that the Group is unable to achieve its business plans. It consists of:

- Capital risk: the risk that the Group is unable to maintain appropriate capital ratios and composition which could lead to: an inability to support business activity, a failure to meet regulatory requirements; and/or changes to credit ratings, which could also result in increased costs or reduced capacity to raise funding;
- Liquidity risk: the risk that the Group is unable to meet its obligations as they fall due; and
- Structural risk: the risk arising from the impact of interest rate and foreign exchange movements on the Statement of comprehensive income and Statement of financial position.

Gains and losses from banking and trading activities

Banking and trading portfolios include:

- realised gains and losses on financial instruments held at amortised cost, held-to-maturity or available-for-sale;
- realised gains and losses on the disposal of associates, joint ventures and subsidiaries within the banking portfolios;
- realised and unrealised gains and losses on financial instruments designated at fair value through profit or loss; and
- interest, dividends and fair value movements on certain financial instruments held for trading or designated at fair value through profit or loss.

Glossary

Gains and losses from investment activities

Insurance and strategic investment portfolios including:

- realised gains and losses on financial instruments held at amortised cost, held-to-maturity or available-for-sale;
- realised gains and losses on the disposal of associates, joint ventures and subsidiaries;
- realised and unrealised gains and losses on financial instruments designated at fair value through profit or loss; and
- interest, dividends and fair value movements on certain financial instruments held for trading or designated at fair value through profit or loss.

Gross credit extended

Loans advanced to customers and banks, as well as off-balance sheet exposures.

Group

Barclays Africa Group Limited, together with its subsidiary undertakings, special-purpose entities, joint ventures, associates and offshore holdings. It is also referred to as "the Group" or "Barclays Africa Group" in this report.

Headline earnings

Headline earnings reflects the operating performance separated from remeasurements (an amount recognised in the statement of comprehensive income relating to any change (realised or unrealised) in the carrying amount of an asset/liability that arose after the initial recognition of such asset or liability) as well as non-controlling interest of preference shares or ordinary shares, where relevant.

Headline earnings per share

Profit attributable to ordinary equity holders after adjusting for separately identifiable remeasurements, net of tax and non-controlling interest, divided by the weighted average number of ordinary shares in issue. A remeasurement is an amount recognised in profit or loss relating to any change in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability.

Diluted headline earnings per share

Diluted headline earnings per share is calculated by adjusting both the headline earnings and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, assuming they had been in issue for the reporting period.

Impairments raised – Identified

Impaired loans with key indicators of default being:

- the borrower is unlikely to pay its credit obligation in full, without recourse by the Group to actions such as realising security held; and/or
- the borrower is overdue.

A retail identified impairment is triggered when a contractual payment is missed and is raised on a collective basis. Future cash flows for a group of financial assets, which are collectively evaluated for impaired purposes, are estimated based on the contractual cash flows of the assets in the Group and the historical loss experienced for assets with similar credit risk characteristics to those in the Group.

In the wholesale portfolio, an identified impairment is raised on an individual basis and is the difference between the outstanding capital and the present value of future cash flows.

Impairments raised – Unidentified

Allowances are raised when observable data indicates a measurable decrease in the estimated future cash flows from a group of financial assets since their original recognition, even though the decrease cannot yet be linked to individual assets in the Group. The unidentified impairment calculation is based on the asset's probability of moving from the performing portfolio to the defaulted portfolio as a result of a risk condition that has already occurred, but will only be identifiable at a borrower level at a future date.

Indirect taxation

Indirect taxes are the taxes that are levied on transitions rather than on persons (whether individuals or corporate). These taxes include unclaimed value-added taxes, stamp duties on deposits and Regional Services Council levies.

Income statement

The term Income statement is used in the same context as the Statement of comprehensive income.

Jaws

A measure used to demonstrate the extent to which the Group's income from operations growth rate exceeds operating expenses growth rate. Income from operations consists of net interest income and non-interest income.

Leverage

Average assets as a proportion of average equity.

Life new business margin

Embedded value of new business attained in the Life Insurance key business area of WIMI, as a proportion of the discounted value of the associated future premiums.

Loans-to-deposits and debt securities ratio

Loans and advances to customers as a percentage of deposits due to customers and debt securities in issue.

Long-term funding ratio

Funding with a term in excess of six months.

Market capitalisation

The Group's closing share price, times the number of shares in issue at the reporting date.

Market risk

Market risk is the risk that the Group's earnings, capital or business objectives will be adversely impacted by changes in the level or volatility of market rates or prices such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads. It consists of:

- Traded market risk, which is the risk of the Group being impacted by changes in the level or volatility of positions in the Group's trading books, primarily in Investment Bank.
- Non-traded market risk, which is the risk of the Group being unable to hedge the interest rate risk in the banking book, primarily in retail, business banking and corporate portfolios.
- Insurance risk, which is the risk that future experiences relating to claims, expenses, policyholder behaviour and investment returns are different from the assumptions made when setting premiums or valuing policyholder liabilities.
- Pension risk, which arises when an adverse movement between pension assets and liabilities results in a pension deficit.

Merchant income

Income generated from the provision of point-of-sale facilities to the Group's merchant network customers. This income includes both rental income for the supply of point-of-sale units as well as transactional income for the transactions processed on the supplied terminals.

Net asset value per share

Total equity attributable to ordinary equity holders divided by the number of shares in issue. The net asset value per share figure excludes the non-cumulative, non-redeemable preference shares issued.

Net insurance premium income

The amount of insurance premiums received or receivable on insurance assets net of insurance claims and benefits paid on insurance liabilities.

Net interest income

The amount of interest received or receivable on assets net of interest paid or payable on liabilities.

Net interest margin on average interest-bearing assets

Net interest income for the reporting period, divided by average interest-bearing assets (calculated on a daily weighted average basis), expressed as a percentage of average interest-bearing assets.

Net present value unwind on non-performing book

A net present value adjustment representing time value of money of expected cash flows within the impairment allowance. Such time value of money reduces as the point of cash flow is approached. The time-based reduction in time value of money is recognised in the statement of comprehensive income as interest received on impaired assets.

Net revenue

Net revenue consists of net interest income and non-interest income, net of impairment losses on loans and advances.

Glossary

Net trading result

Net trading result includes the profits and losses on CIB's trading desks arising from both the purchase and sale of trading instruments and the revaluation to market value, as well as CIB's hedge ineffectiveness. This includes the interest income and interest expense from these instruments and related funding cost. It also includes similar activities from the African operations.

Non-interest income

Non-interest income consists of the following Statement of comprehensive income line items: "net fee and commission income", "net insurance premium income", "net insurance claims and benefits paid", "changes in investment contracts and insurance contract liabilities", "gains and losses from banking and trading activities", "gains and losses from investment activities as well as other operating income".

Non-performing loans

A loan is typically considered non-performing once its delinquency reaches a trigger point. This is typically when interest is suspended (in accordance with Group policy) or if the loan is moved to the legal environment for recovery. As a consequence, a loan that has defaulted is not necessarily non-performing (unless certain criteria are met).

NPLs' coverage ratio

Net exposure, being the outstanding NPL balance, less expected recoveries and fair value of collateral, as a percentage of the total outstanding NPL balance.

NPL ratio

NPLs as a percentage of gross loans and advances to customers.

Non-interest income as a percentage of revenue

Non-interest income as a percentage of income from operations. Revenue consists of net interest income and non-interest income.

Operational risk

Operational risk is the risk of direct or indirect impacts resulting from human factors, inadequate or failed internal processes and systems or external events. This includes risks associated with payments and transaction operations, external suppliers, products, premises and security, fraud risk, regulation, information, financial reporting, tax, legal, people and technology.

Price-to-earnings ratio

The closing price of ordinary shares, divided by headline earnings per ordinary share for the reporting period.

Probability of default

The probability that a debtor will default within a one-year time horizon.

Pre-provision profit

Total revenue less operating expenses.

Regulatory capital

The capital that the Group holds, determined in accordance with the requirements of the Banks Act and regulations relating to banks.

Return on average assets

Annualised headline earnings as proportion of total average assets.

Return on average equity

Annualised headline earnings as a proportion of average equity.

Return on average regulatory capital

Measure of efficient use, by segment, of regulatory capital.

Return on average risk-weighted assets

Annualised headline earnings as a proportion of average risk-weighted assets.

Glossary

Revenue/total income

Revenue consists of net interest income and non-interest income.

Risk-weighted assets

Calculated by assigning a degree of risk, expressed as a percentage (risk weight) to an exposure, in accordance with the applicable standardised or internal ratings-based approaches rules. RWA are determined by applying the:

- AIRB approach for wholesale and retail credit;
- AMA for operational risk;
- Internal ratings-based market-based simple risk-weight approach for equity investment risk in the banking book; and
- Standardised approach for all African entities (both credit and operational risk).

Solvency margin

The amount by which assets, at fair value, exceed liabilities and other comparable commitments.

Tangible net asset value per share

Total equity attributable to ordinary equity holders less goodwill and intangible assets, divided by the number of shares in issue. The tangible net asset value per share figure excludes the non-cumulative, non-redeemable preference shares issued.

Underwriting margin

Net insurance premium income remaining after losses have been paid and administrative expenses have been deducted.

Value-at-risk model

A technique that measures the loss that could occur on risk positions as a result of adverse movements in market risk factors (e.g. rates, prices, volatilities) over a specified time horizon and to a given level of confidence.

Value of new business

The discounted value, at the date of sale, of the projected after-tax shareholder profits from new covered business, net of the opportunity cost of the required capital for new business. New covered business is defined as long-term insurance contracts written by the Group during the reporting period and for which at least one premium has been recognised in the financial statements. The value of new business is calculated using closing assumptions for all basis items.

Weighted average number of shares

The number of shares in issue at the beginning of the reporting period increased by shares issued during the reporting period, weighted on a time basis for the period during which they participated in the income, less treasury shares held by entities, weighted on a time basis for the period during which the entities held these shares.

Abbreviations and acronyms

List of abbreviations

A

AIRB	advanced internal ratings-based approach
AMA	advanced measurement approach
ATM	automated teller machine

B

Basel	Basel Capital Accord
bp(s)	basis point(s)
BIA	Basic Indicator Approach

C

CET1	Common Equity Tier 1
CIB	Corporate and Investment Bank
CoE	Cost of Equity
CPF	Commercial Property Finance
CAD(s)	Cash-accepting Device(s)

D

DPS	dividend per share

E

EC	Economic Capital
Edcon portfolio	Edcon Store Card Portfolio
ERMF	Enterprise Risk Management framework
ETF	Exchange-traded Funds
EVNB	Embedded value of new business

F

FIRB	foundation internal ratings-based approach

H

HEPS	Headline Earnings per Share

I

IAS	International Accounting Standard(s)
IAS 10	IAS 10 Events after the Reporting Period
IAS 16	IAS 16 Property, Plant and Equipment
IAS 21	IAS 21 Effects of changes in foreign exchange rates
IAS 27	IAS 27 Consolidated and Separate Financial Statements
IAS 34	IAS 34 Interim Reporting
IAS 36	IAS 36 Impairment of Assets
IAS 38	IAS 38 Intangible Assets
IAS 28	IAS 28 Impairment of Investments in Associates and Joint Ventures
IAS 39	IAS 39 Financial Instruments: Recognition and Measurement
IAS 40	IAS 40 Investment Property
ICAAP	internal capital adequacy assessment process
IFRS	International Financial Reporting Standard(s)
IFRS 3	Business Combinations
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IMA	internal models approach
IT	information technology

J

JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange

N

NAV	net asset value
NPL(s)	non-performing loan(s)
NPS	Net Promoter Score

R

RBB	Retail and Business Banking
RoA	Return on Average Assets
RoE	Return on Average Equity
RoRC	Return on Average Regulatory Capital
RoRWA	Return on average risk-weighted assets
RWA(s)	Risk-weighted asset(s)

S

SARB	South African Reserve Bank
SID(s)	Sustainable Integrated Residential Development(s)

T

TSA	The Standard Approach

U

USA	United States of America

V

VAF	Vehicle and Asset Finance

W

WIMI	Wealth, Investment Management and Insurance
WFS	Woolworths Financial Services (Pty) Ltd

Administration and contact details

Barclays Africa Group Limited

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

Authorised financial services and registered credit provider (NCRCP7)

JSE share code: BGA

ISIN: ZAE000174124

Registered office

7th Floor, Barclays Towers West
15 Troye Street, Johannesburg, 2001
PO Box 7735, Johannesburg, 2000

Switchboard: +27 11 350 4000

barclaysafrica.com

Head Investor Relations

Alan Hartdegen

Telephone: +27 11 350 2598

Group Company Secretary

Nadine Drutman

Telephone: +27 11 350 5347

Head of Finance

Jason Quinn

Telephone: +27 11 350 7565

Queries

Please direct investors relations queries to IR@barclaysafrica.com

Please direct media queries to groupmedia@barclaysafrica.com

For all customer and client queries, please go to the relevant country website (see details below) for the local customer contact information

Please direct queries relating to your Barclays Africa Group shares to questions@computershare.co.za

Please direct other queries regarding the Group to groupsec@barclaysafrica.com

Transfer secretary

Computershare Investor Services (Pty) Ltd

Telephone: +27 11 370 5000

computershare.com/za/

ADR depositary

BNY Mellon

Telephone: +1 212 815 2248

bnymellon.com

Auditors

Ernst & Young Inc.

Telephone: +27 11 772 3000

ey.com/ZA/en/Home

PricewaterhouseCoopers Inc.

Telephone: +27 11 797 4000

pwc.co.za

Sponsors

Lead independent sponsor

J.P. Morgan Equities South Africa (Pty) Ltd

Telephone: +27 11 507 0300

jpmorgan.com/pages/jpmorgan/emea/local/za

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)

Telephone: +27 11 895 6843

equitysponsor@absacapital.com

Significant banking subsidiaries

Information on the entity and the products and services provided (including banking, insurance and investments) can be found at:

Absa Bank Limited	absa.co.za
Barclays Bank of Botswana Limited	barclays.co.bw
Barclays Bank of Ghana Limited	gh.barclays.com/
Barclays Bank of Kenya Limited	barclays.co.ke
Barclays Bank Mauritius Limited	barclays.mu
Barclays Bank Mozambique SA	barclays.co.mz/eng
Barclays Bank (Seychelles) Limited	barclays.sc
Barclays Bank Tanzania Limited	barclays.co.tz
Barclays Bank of Uganda Limited	barclays.co.ug
Barclays Bank Zambia plc	zm.barclays.com/
National Bank of Commerce Limited	nbctz.com

Representative offices

Absa Namibia Proprietary Limited	absanamibia.com.na
Absa Capital Representative Office Nigeria Limited	cib.absa.co.za