

2016

Barclays Africa Group Limited  
Broad-based black economic empowerment  
fact sheet 2016



# Our reporting suite

*Our integrated report is our primary report to our shareholders and contains information relevant to other stakeholders*



Our 2016 Integrated Report is supplemented by disclosures made available online (including our financial statements, risk management report and special interest fact sheets) and various documents published as part of our annual results announcement made on 23 February 2017.

The full suite of reports is available on our corporate website [www.barclaysafrica.com](http://www.barclaysafrica.com) and at our interactive report website [www.barclaysafrica2016ar.co.za](http://www.barclaysafrica2016ar.co.za).

Report	Scope and boundary	Reporting standards/ frameworks	Assurance
<b>2016 Integrated Report and supplementary fact sheets</b>			
<ul style="list-style-type: none"> <li>› 2016 Integrated Report</li> <li>› GRI (formerly the Global Reporting Initiative) fact sheet</li> <li>› King III fact sheet</li> <li>› Broad-based black economic empowerment (BBBEE) fact sheet</li> </ul>	<p>Barclays Africa Group, including key banking and insurance subsidiaries</p> <p>BBBEE applies to our South African operations</p>	<ul style="list-style-type: none"> <li>› International Integrated Reporting Council's International Integrated Reporting &lt;IR&gt; Framework</li> <li>› South African Companies Act, No 71 of 2008, as amended (Companies Act)</li> <li>› JSE Listings Requirements</li> <li>› King Report on Governance for South Africa, 2009 (King III)</li> <li>› GRI G4 Standards</li> </ul>	<ul style="list-style-type: none"> <li>› Internal controls and management assurance</li> <li>› Compliance and internal audit reviews</li> <li>› External audit opinion on financial information, and external assurance on selected key performance indicators</li> <li>› Board approval, assisted by the Disclosure Committee (a Group Audit and Compliance Committee sub-committee) and our Social and Ethics Committee</li> <li>› Independent BBBEE verification by the National Empowerment Rating Agency (NERA)</li> </ul>
<b>Financial reports</b>			
<ul style="list-style-type: none"> <li>› 2016 Consolidated and separate financial statements</li> <li>› 2016 Pillar 3 risk management report</li> <li>› 2016 Financial results booklet</li> </ul>	<p>Barclays Africa Group, including subsidiaries and joint ventures</p> <p>Note 49.3 of the financial statements provides a list of material subsidiaries and consolidated structured entities</p>	<ul style="list-style-type: none"> <li>› International Financial Reporting Standards (IFRS)</li> <li>› Companies Act</li> <li>› Banks Act, No 94 of 1990</li> <li>› JSE Listings Requirements</li> <li>› King III</li> </ul>	<ul style="list-style-type: none"> <li>› Internal controls and management assurance</li> <li>› Compliance and internal audit reviews</li> <li>› Governance oversight by our Board, assisted by our Group Audit, and Group Risk and Capital Management Committees</li> <li>› External audit opinion (the complete opinion statement can be found in the consolidated and separate financial statements)</li> </ul>

## Disclaimer

Certain statements (words such as 'anticipates', 'estimates', 'expects', 'projects', 'believes', 'intends', 'plans', 'may', 'will' and 'should') and similar expressions in this document are forward-looking. These relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of Barclays Africa Group Limited and our subsidiaries. These statements are not guarantees of future operating, financial or other results and involve certain risks, uncertainties and assumptions, and actual results and outcomes may differ materially from those expressed or implied by such statements. We make no express or implied representation or warranty that the results we anticipated by such forward-looking statements will be achieved. Such a statement represents one of many possible scenarios which should not be viewed as the most likely or standard scenario. We are not obligated to update the historical information or forward-looking statements in this document.



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## Icons used in this fact sheet



Positive



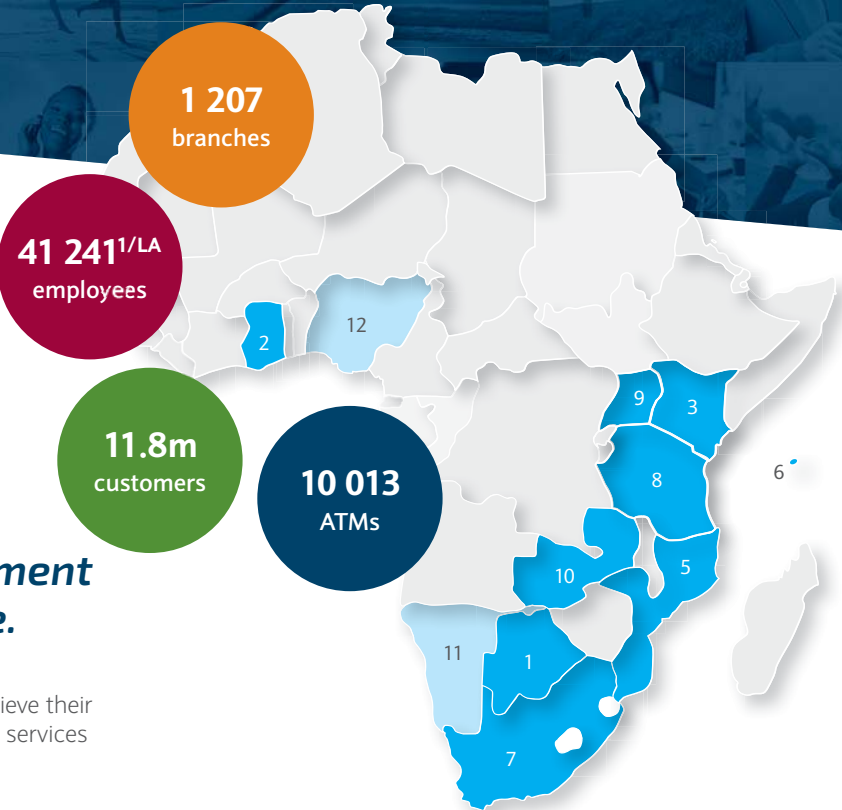
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# Barclays Africa, a strong African franchise...

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



We are driven by **our Purpose** to help people achieve their ambitions – in the right way by fulfilling their financial services needs in a responsible and sustainable manner.

We are focused on **our Goal** to be the financial services group 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.

	Branches	ATMs	Customers	Employees <sup>1</sup>
1 Botswana	34	113	154 998	1 178
2 Ghana	65	165	518 758	1 111
3 Kenya	105	214	515 966	2 765
4 Mauritius	19	38	77 674	762
5 Mozambique	48	108	283 491	928
6 Seychelles	7	17	16 746	217
7 South Africa	774	8 885	9.425m <sup>LA</sup>	30 739
8 Tanzania BBT <sup>2</sup>	18	51	62 980	496
8 Tanzania NBC <sup>3</sup>	51	230	424 712	1 212
9 Uganda	39	69	130 565	869
10 Zambia	47	123	201 555	964

- Barclays Africa representative offices
- 11 Namibia
- 12 Nigeria

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

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

<sup>1</sup> Includes permanent and temporary employees.  
<sup>2</sup> Barclays Bank Tanzania.  
<sup>3</sup> National Bank of Commerce.  
<sup>LA</sup> This indicator is covered by the scope of a limited assurance engagement undertaken by EY and PwC. The basis of measurement thereof and the assurance statement can be found at [barclaysafrica2016ar.co.za](http://barclaysafrica2016ar.co.za).

## ...delivering our One Africa strategy.

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

### We continue our journey to distinguish ourselves ...

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

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

... by embodying Shared Growth as a business ethos and a sustainable way of conducting business.

### Driving change through four strategic themes ...

#### African opportunity

Investing in the greatest growth opportunities and connecting Africa to international capital markets.

#### Customer and client experience

Making our customers' and clients' lives easier and helping them to prosper.

#### Simplify and accelerate

Simplifying our business processes to better serve our customers and clients, by sustainably reducing costs and improving efficiencies.

#### Powered by people and technology

Unlocking the power of a dynamic workforce enabled by technology, information and innovation to deliver value to our customers and clients.

### By focusing on ...

- |  |  |  |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>&gt; Growing banking and insurance in key retail and business market segments</li> <li>&gt; Serving corporate clients in key growth sectors and enabling international client coverage</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Creating value propositions informed by data insights and innovation</li> <li>&gt; Serving our customers and clients through a network of branches, ATMs, corporate offices and digital platforms, including Internet and apps, point-of-sale, and call centres</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Developing, automating and optimising our products and processes</li> <li>&gt; Delivering our technology resilience programme</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Attracting, developing and retaining employees</li> <li>&gt; Empowering our employees with information and technology</li> </ul> |
|--|--|--|--|

### Measured against our medium-term targets ...

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

### While building the Group of the future ...

We keep evolving and building new strategic capabilities that enable us to be relevant and competitive as we move into the future.

These initiatives include:

- > new digital payment technologies; and
- > leveraging strategic partnerships to drive innovation, increase market access and enhance our customer value propositions.

## Introduction

In South Africa, a number of societal challenges endure, including disparities in career, education and economic opportunities. This report details our efforts to close these gaps and support transformation in our South African operations, where we derive the majority of our business. We embrace the principles of the Broad-Based Black Economic Empowerment (BBBEE) Amendment Act which serves as the basis for the Department of Trade and Industry's Financial Sector Code (FS Code). We transitioned from the generic Codes of Good Practice to the FS Code in 2013.

## Verified scorecard

Our BBBEE performance is independently verified by a registered agency – the National Empowerment Rating Agency.

Key indicators (points)	Maximum points	2013	2014	2015	2016	YoY trend
① Ownership	14.00	6.62	8.73	8.66	9.94	▲
② Management control	8.00	3.04	3.24	3.63	4.96	▲
③ Employment equity	15.00	9.70	9.87	10.22	11.72	▲
④ Skills development	10.00	9.07	9.12	9.68	10.00	▲
⑤ Preferential procurement	16.00	14.92	15.28	16.00	16.00	=
⑥ Empowerment financing	15.00	13.91	14.80	15.00	15.00	=
⑥ Enterprise development	5.00	5.00	5.00	5.00	5.00	=
⑦ Socio-economic development	3.00	3.00	3.00	3.00	3.00	=
⑧ Access to financial services	14.00	9.90	10.40	10.00	12.94	▲
Total	100.00	75.16	79.44	81.19	88.56	▲
BBBEE contributor level status		Level 3	Level 3	Level 3	Level 2	▲

### ① Ownership

In 2004, we were the first of the major banks to allocate a 10% stake to black partners through the Batho Bonke empowerment consortium. The deal was partly unwound in 2009 (4.99%) and the remainder in 2012 (5.01%), after the consortia sold their equity. Through the FS Code, which has followed a 'once empowered always empowered' principle since 2011, we are still able to claim a portion of our black ownership points in respect of the sale of the 5.01% in 2012. Our ownership score of 9.94 points is the aggregation of (i) the once empowered always empowered principle; (ii) indirect ownership; and (iii) equity equivalents arising from surplus BEE transaction financing. This translates to black and black women ownership of 17.4% (2015: 16.1%) and 6.7% (2015: 6.2%) respectively.

On 1 March 2016, Barclays PLC announced its intention to sell down its interest in Barclays Africa to a level which would permit deconsolidation from both regulatory and accounting perspectives. On 23 February 2017, we advised our stakeholders that we agreed on the terms of the separation. As part of the separation agreement, Barclays PLC has agreed to contribute an amount equal to 1.5% of our market capitalisation (R2.1bn<sup>1</sup>) towards establishing a new BBBEE scheme.

<sup>1</sup> Based on the Barclays Africa closing share price of R168.69 on 31 December 2016.

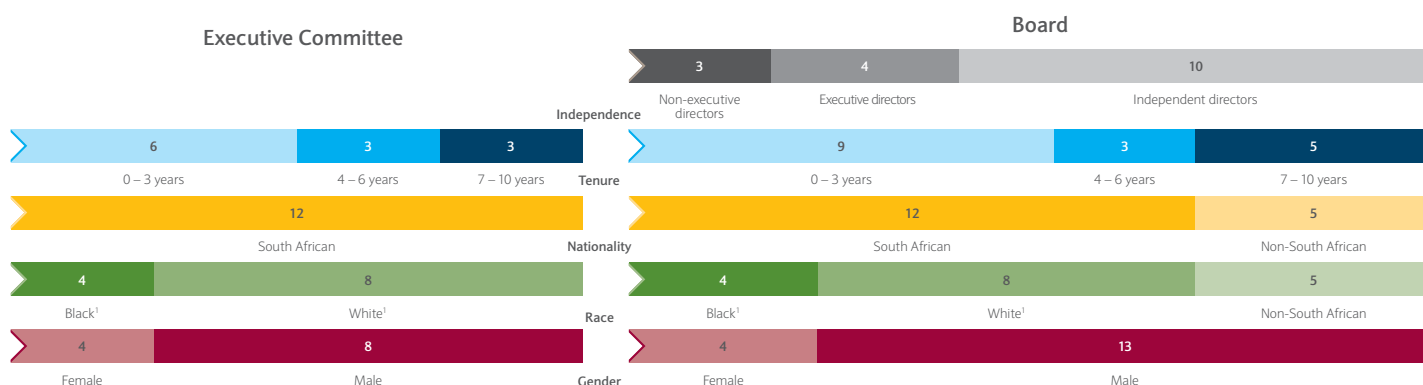
## 2 Management control

	2013 (%)	2014 (%)	2015 (%)	2016 (%)	YoY trend
Black representation at Board level	25.00	23.08	23.08	25.00	▲
Black representation at top management level	15.07	18.27	18.42	25.86	▲

Our Board comprised 16 directors on 31 December 2016 (2015: 13). 11 (2015: eight) are South African, of whom two are black men (2015: two) and two are black women (2015: one). The remaining five are Ghanaian, Kenyan, Singaporean and (two) British nationals reflecting the pan-African nature of our business and our membership of Barclays PLC. During the year, three new board members were appointed, one of which was Daisy Naidoo, appointed as an independent non-executive director, increasing the black and black women composition of our Board to 25% (2015: 23.1%) and 12.5% (2015: 7.7%) respectively. Peter Matlare's appointment as Deputy Chief Executive Officer: Rest of Africa and his consequent change to an executive director (previously non-executive) increased the black representation for executive directors to 25% (2015: 0%). René van Wyk, a white South African, joined the Board on 1 February 2017, and is not included in the analysis above as the date of his appointment is outside of the verification time frame.

Our Executive Committee, within top management, has 12 members (2015: 11) of whom four (2015: three) are black and two (2015: two) are black women. We continue transforming our South African top management black representation against our 40% target, with an increase to 25.9% (2015: 18.4%) black and 12.1% (2015: 8.8%) black women.

Our Board and Executive Committee composition is detailed below:



<sup>1</sup> As defined in the South African Broad-Based Black Economic Empowerment Act.

### 3 Employment equity

	2013 (%)	2014 (%)	2015 (%)	2016 (%)	YoY trend
Total number of black disabled employees as a % of total employees	0.3	0.3	0.3	10.0 <sup>1</sup>	▲
Black senior management representation	32.2	32.2	35.6	40.1	▲
Black women senior management representation	12.0	13.0	14.6	16.8	▲
Black middle management representation	49.8	51.2	52.4	54.8	▲
Black women middle management representation	26.1	26.7	27.4	29.0	▲
Black junior management representation	71.9	73.6	72.4	74.5	▲
Black women junior management representation	50.9	52.5	51.6	53.3	▲

<sup>1</sup> From 2016, disability status has been confirmed by a third-party medical aid provider.

We are committed to the Employment Equity Act, and ensure equal opportunities and a fair workplace, free of unfair discrimination. Race (ethnicity), gender and disability are our primary diversity and inclusion focus areas, and are complemented by our secondary focus on lesbian, gay, bisexual and transgender, and multi-generation agendas. Although we have progressed well, we have much more to do, particularly at senior level, to enhance diversity and transformation.

In South Africa, 69% (2015: 68%) of our employees, 88% (2015: 75%) of new hires and 82.5% (2015: 76.3%) of promotions were black. Our black representation increases were:

- > junior management, to 74.5% (2015: 72.4%), against a target of 80%;
- > middle management, to 54.8% (2015: 52.4%), against a target of 75%; and
- > senior management, to 40.1% (2015: 35.6%), against a target of 60%.

Middle management employees serve as a critical pipeline for senior succession, and are provided with a combination of formal learning, coaching and mentoring opportunities.

### 4 Skills development

	2013 (points <sup>1</sup> )	2014 (points <sup>1</sup> )	2015 (points <sup>1</sup> )	2016 (points <sup>1</sup> )	YoY trend
Skills development spend for black employees	3.00	3.00	3.00	3.00	=
Skills development spend for black women employees	1.50	1.50	1.50	1.50	=
Black employees' participation in learnerships	3.00	3.00	3.00	3.00	=
Black women employees' participation in learnerships	1.50	1.50	1.50	1.50	=
Skills development spend for black disabled employees	0.04	0.06	0.33	0.50	▲
Skills development spend for black women disabled employees	0.03	0.06	0.35	0.50	▲

<sup>1</sup> Points as per the FS Code scorecard.

We continue investing in skills development that addresses knowledge and skills gaps within the organisation and the wider South African labour market. Our investment in the development of black South Africans exceeded the skills development target by 2.98%.

Our approach to skills development includes on-the-job training, management and leadership development, formal learnerships, internships, employee tertiary qualification bursaries, and our Rising Eagles Graduate Programme.

We offered 2 198 learnerships (1 900 black, 298 white), 558 of which were given to unemployed youth who gained work experience. Of these 558, 368 (66%) have been retained within the Group after completing their learnerships.

Of our 2 361 bursary recipients, graduates and learners, 1 967 (83%) are black South Africans of whom 1 318 (58%) are black women.

Our external bursaries and sponsorship programmes provide critical resources to tertiary institutions and students. We gave study bursaries to 731 black employees and an additional 62 previously unemployed black youth, enabling them to study at leading



South African universities.

Through our banking relationships with Technical and Vocational Education and Training (TVET) institutions and our partnerships with the public sector, we address youth employability issues. We work with the institutions to actively manage the challenges facing students entering the workplace, including retention post learnerships, management's ability to manage graduates and the requirement for students to improve their life skills. In addition to skills development, we partner with TVETs to provide workplace exposure and job-shadowing as detailed in the socio-economic development section.

We participate in formally funded programmes with BANKSETA – a statutory body that supports and develops skills needed in the banking sector. BANKSETA recognised our commitment to employee development, with the top Skills@Work award for large employers.

## 5 Preferential procurement

	2013 (Rbn)	2014 (Rbn)	2015 (Rbn)	2016 (Rbn)	YoY trend
Total measurable procurement	10.9	12.6	13.9	12.9	▼
Total weighted spend with BBBEE accredited suppliers	14.1	14.6	19.6	17.8	▼
Procurement from QSE <sup>1</sup> and EME <sup>1</sup> suppliers	2.3	2.0	2.9	3.1	▲
Procurement from 50% black-owned suppliers	1.7	2.1	4.1	4.5	▲
Procurement from 30% black women-owned suppliers	0.5	0.7	2.9	3.4	▲

<sup>1</sup> QSE – Qualifying small enterprises; EME – Exempted micro enterprises.

### Total weighted spend with BBBEE accredited suppliers

Our procurement spend is weighted according to the BBBEE contributor level status of suppliers. Changes to the Generic Codes of Good Practice led to a decrease in some suppliers' contributor levels and, subsequently, our total weighted spend on products and services decreased to R17.8bn (2015: R19.6bn) from 2 608 (2015: 3 482) accredited suppliers.

### Procurement from QSE and EME suppliers

The changes to the Generic Codes of Good Practice redefined the classifications of QSEs and EMEs, thereby increasing the number of small and medium enterprises (SMEs) qualifying as such and, together with higher spend, increased the related weighted spend to R3.1bn (2015: R2.9bn).

We have contracted with, and provided R20m in at-prime lending to, a black-owned QSE manufacturer. The three-year agreement with this QSE will support its growth and development. Our ambition is to extend a further R200m in at-prime lending to black-owned SMEs.

### Procurement from 50% black-owned and 30% black women-owned suppliers

We continue increasing spend with compliant black-owned and black women-owned suppliers through initiatives such as our supplier development programme, detailed under enterprise development. We invite black-owned and black women-owned suppliers to participate in the majority of our sourcing events. We actively include small suppliers in our supplier database by segmenting contracts into smaller pieces of work, thereby developing QSEs and EMEs. These activities have led to a significant increase in our spend with black-owned, black women-owned and SME suppliers by 10% and 17% respectively.

### Business skills development programme

In addition to our enterprise development programmes we developed three supplier SMEs and employed 10 learners through our business skills development programme, furthering their technical knowledge and experience in technology skills. The programme sustains SMEs while they grow and grasp more opportunities in the wider economy. We will extend the programme to more SMEs, thereby employing more learners and developing technical skills. We financed better tracking technologies for a small regional black women-owned courier service provider, after its successful tender in 2016.

## 6 Empowerment financing and enterprise development

	2013 <sup>1</sup> (Rm)	2014 <sup>1</sup> (Rm)	2015 <sup>1</sup> (Rm)	2016 <sup>1</sup> (Rm)	YoY trend
Empowerment financing					
Targeted investments					
Transformational infrastructure	1 997.8	1 930.2	1 872.0	2 250.0	▲
Black small and medium enterprise financing	364.0	530.1	589.1	488.7	▼
Black agricultural financing	40.1	0	33.6	86.7	▲
Affordable housing	6 271.0	7 901.0	10 235.0	11 189.0	▲
BBBEE transaction financing	6 294.3	12 255.5 <sup>2</sup>	14 665.7 <sup>2</sup>	16 472.4 <sup>2</sup>	▲
Enterprise development					
Annual enterprise development spend	21.6	23.6	27.4	37.7	▲

<sup>1</sup> Figures are cumulative in terms of reporting under the FS code from 1 January 2012.

<sup>2</sup> Includes amounts recognised as equity equivalents under the ownership scorecard.

### Targeted investments

Targeted investments relate to areas where economic development and job creation have not been addressed, including transformational infrastructure, black SMEs, agricultural development, and affordable housing. Against our funding target of R28.6bn in terms of the FS Code we have financed R31.7bn (being R14.0bn since our 2012 base of R17.7bn).

#### Transformational infrastructure

We fund a number of consortia that are rolling out projects in rural areas as part of the South African government's Renewable Independent Energy Power Producer Procurement Programme. We financed 21 projects with combined capital values of more than R60bn, up to the third bidding round of the programme.

#### Black small and medium enterprise financing

We support sound business ventures by extending financial support to enterprises that would ordinarily not qualify for funding, through a ring-fenced enterprise development credit fund. When allocating funding, we rely less on the enterprise's balance sheet or ability to provide collateral than the strength of their contract with a corporate client.

Entrepreneurs who are not part of a corporate's supply chain can access Absa's Development Credit Fund or the Women Empowerment Fund while the development of agricultural enterprises is financed through our partnership with Them bani.

For reporting, we must confirm the entities we finance hold valid BBBEE certificates, which remains a challenge.

#### Black agricultural financing

We are working on securing funding and business support partnerships to enable the financing of BBBEE compliant agricultural entities. Agribusiness is formalising some of these partnerships which include: Khula Credit Guarantee Scheme and the SEFA Land Reform Empowerment Fund.

#### Affordable housing

We continued supporting affordable housing development projects, increasing our investments to R11.2bn (2015: R10.2bn).

### BBBEE transaction financing

BBBEE transaction financing provides finance to qualifying black clients for the purchase of direct ownership in an entity. This sector remains highly competitive with a limited number of new transactions concluded in the recent years and, as a result, our focus remains on refinancing existing transactions. Against our R14.8bn target in terms of the FS Code, we have financed R24.1bn (being R16.5bn since our 2012 base of R7.6bn).

## Enterprise development

Enterprise development is an important part of our Shared Growth Strategy. In keeping with our role as a financial services provider, our enterprise development strategy is to enable access to development finance and complement it with business development support and enhanced market access via preferential procurement. Our structured value chain financing approach blends more affordable funds and/or guarantees from third parties with our commercial funding to provide more affordable financing rates to emerging businesses.

Access to development finance is supported by business development and access to market capability to ensure that these emerging businesses increase their probability of success.

We raised R1.38bn in financing to support SMEs and to assist our corporate clients to optimise their supply chains. We will accelerate the disbursement of these funds using a new technology platform customised for this initiative.

We have seven Enterprise Development Centres across South Africa. These are hubs for emerging SMEs to receive training, access computers and boardrooms, and benefit from networking opportunities. In 2016, we:

- > incubated 345 SMEs against a target of 300; and
- > supported more than 41 200 SMEs (2015: 25 966) through training, workshops and conferences. We supported more than 30% of these SMEs through training interventions at our Enterprise Development Centres and various programmes with strategic partners.

Furthermore, our access to markets online portal has 59 200 (2015: 37 200) registered SMEs, 7 000 (2015: 5 700) actively engaged corporates, and over R2.5bn worth of tenders advertised a month. Events and conferences held in 2016 were the Proudly SA Buy Local Summit; Smart Procurement World Summit; Annual Chartered Institute of Procurement and Supply Conference; Women in Business; and Global Entrepreneurship Week. In addition, our short-term insurance business created a central service database that enabled R58m in small claims fulfilment opportunities to 50 SMEs.

## 7 Socio-economic development

	2013 (Rm)	2014 (Rm)	2015 (Rm)	2016 (Rm)	YoY trend
Socio-economic development spend	86.8	85.3	97.8	100	▲

Our Shared Growth philosophy drives education initiatives centred on empowering African youth through skill-building programmes and mentorship to make them more employable; and financial assistance for better education. Similarly, our consumer financial education interventions empower individuals to make informed choices and improve their lives through responsible personal financial management.

We committed R1.4bn to support education and skills development, targeting youth across our presence countries. Through public-private partnership, we are implementing various initiatives in basic and tertiary education:

- > We invested over R10m in a new school governing body programme, which trains school governing body members in financial management and governance. We reached 2 725 schools across four provinces, and trained 10 521 governing body members and 1 146 Department of Basic Education employees. We plan to expand this programme to more provinces in 2017.
- > In support of the South African government's Adopt-a-TVET initiative, we partnered with 16 technical and vocational education training colleges (TVETs) to provide workplace exposure and job-shadowing for 480 students. We plan to expand the programme to all TVETs in South Africa and further leverage our employee assets and expertise through guest lecturing and mentorship opportunities.
- > We invested R26m in strategic university initiatives to support the research and development of critical and scarce skills faculties in 10 South African tertiary institutions.

We enhanced our scholarship programme, providing R80m in scholarships for 2 000 university students, thus helping to alleviate the South African student funding crisis.

## 8 Access to financial services

	2013 <sup>1</sup>	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>	YoY trend
Geographic access					
Transactional points (%)	57.35	59.52	59.55	61.60	▲
Service points (%)	72.83	73.26	73.71	76.85	▲
Sales points (%)	74.45	74.55	73.57	73.49	▼
Electronic access (%)	14.31	14.88	13.57	13.09	▼
Access to qualifying product accounts ('000)	2 362	2 620	2 550	2 453	▼
Affordable housing origination (Rm)	7 371	10 243	13 701	16 424	▲
Annual consumer education spend (Rm)	17.1	23.9	27.6	29.4	▲

<sup>1</sup> Figures are cumulative in terms of reporting under the FS Code, except for annual consumer education spend.

The FS Code targets aim to increase access to financial services including geographic access, electronic access and banking access densification.

### Geographic and electronic access

We expanded the reach of our sales and service points since the inception of the Financial Sector Charter in 2005 and, as a result, have maintained our coverage for the past three years. In 2016, 61.60% (2015: 59.55%) of our entry-level customers corresponding with living standards measures 1 to 5 lived within five kilometers of a transaction point; 76.85% (2015: 73.71%) lived within 10 kilometres of a service point; and 73.49% (2015: 73.57%) lived within 15 kilometres of a sales point. Whenever we open or close points of presence, we carefully consider the impact on coverage, and in the case of closures, identify a suitable alternative. Among these customers, electronic access penetration decreased to 13.09% (2015: 13.57%).

We constantly improve our various customer touch point channels to be more accessible. Over the past few years, we added new functionality to our channels which qualifies them for the next level in the Financial Sector Charter coverage point classification.

Electronic platforms offer convenient and low-cost alternatives to traditional banking channels. Our pricing model encourages and rewards customers who opt to make use of electronic or digital channels as opposed to banking in the traditional way. Additionally, the indirect cost of banking is frequently lower for electronic channels (e.g. transport costs, opportunity cost of time etc.). We have a number of channel options aimed at increasing access to financial services, and we help customers choose channels that best suit their needs – helping customers bank better by using cheaper and more convenient banking channels.

Examples of our electronic and digital channel actions are:

- > We continue enhancing our ATM functionality to include services such as ATM deposits, CashSend (customers can electronically transfer funds via mobile or Internet banking to a recipient, who is then able to withdraw the funds without needing a card or bank account); and Scan and Pay Bill Payment (allows anyone to make payments to selected beneficiaries, by either scanning or keying in a reference/account number). Customers are increasingly choosing to use ATMs to deposit funds and pay their bills.
- > Our ATMs offer eight local language choices to be inclusive for all customers (Sesotho, isiXhosa, isiZulu, Tshivenda, Sesotho sa Leboa, Xitsonga, Afrikaans and English).
- > We have retained free access to digital banking channels (USSD, App and Internet banking) – enabling our customers to transact any time, any place, and with no monthly fee for the digital channel.
- > Access to data is a barrier to adopting digital banking. To address this barrier, Absa has zero rated the data used when customers use the Absa Banking App.

Absa is working with partners to deliver alternative, easily accessible channels to banking and financial services for people in marginalised and poor communities.

- > By partnering with PEP Stores, we provide financial services to people in marginalised and poor communities through a trusted and convenient channel. Launched in late 2014, approximately 200 000 customers are using services provided through PEP stores. Additionally, money transfers through PEP stores regularly exceed 850 000 monthly transactions, facilitating easy person-to-person money transfer for people not necessarily involved in the formal banking system.
- > Access to affordable smartphones is a barrier to the adoption of electronic banking for some clients. As part of addressing this barrier, Absa partnered with The Foschini Group's 'Hi' brand to sell smart phones, including affordable ones, in our branches.

Some challenges persist, including customers' lack of understanding and fear of electronic banking services, and habit of returning to a branch to complete a transaction. Digital and electronic channels are not perfect substitutes for the branch. Therefore, we believe branches are important in furthering access to banking.

## Access to affordable housing

Our affordable housing business unit addresses the housing challenges faced by consumers who earn less than R20 000 per month (single or joint household). In support of the South African government's affordable housing agenda, we provided more than R1 bn in home loan finance to 3 019 customers. We trained the majority of these customers through our borrower education programme that covers key aspects of home ownership, home maintenance and personal financial matters.

## Consumer education

We believe consumer education is important, as it empowers individuals to make informed choices and improve their lives through responsible personal financial management. Outside South Africa, consumer education and financial literacy are embedded within employability and enterprise development programmes, while in South Africa it is reported separately in accordance with the FS Code. In addition to our socio-economic development contributions to education mentioned earlier, we invested R29.4m (2015: R27.6m) in consumer education initiatives in South Africa, reaching 45 930 consumers in face-to-face interventions, and 6 453 703 through mobile campaigns.



# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## MEASURED ENTERPRISE

<b>Company Name</b>	The South African operations of Barclays Africa Group Limited (previously Absa Group Limited)
<b>Trade Name</b>	Absa
<b>Location</b>	Johannesburg, Gauteng
<b>Registration Number</b>	1986/003934/06
<b>VAT Number</b>	N/A
<b>Certificate Number</b>	GEN002698-C56

## B-BBEE SCORE PER ELEMENT

<b>Equity Ownership</b>	9.94
<b>Management Control</b>	4.96
<b>Employment Equity</b>	11.72
<b>Skills Development</b>	10.00
<b>Preferential Procurement</b>	16.00
<b>Empowerment Finance</b>	15.00
<b>Enterprise Development</b>	5.00
<b>Socio Economic Development</b>	3.00
<b>Access to Financial Services</b>	12.94

## B-BBEE STATUS

<b>B-BBEE Recognition Level B-BBEE</b>	125%
<b>B-BBEE Status</b>	Level 2 Contributor
<b>Black Ownership</b>	17.36%
<b>Black Female Ownership</b>	6.72%
<b>Value Added Supplier</b>	Yes
<b>Enterprise Development Beneficiary</b>	No
<b>Beneficiary Category</b>	N/A
<b>Applicable Scorecard</b>	Financial Sector Code - Generic
<b>Applicable BEE Code</b>	Financial Sector Code Gazette 35914
<b>Verification Date</b>	02 March 2017
<b>Expiry Date</b>	01 March 2018

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA is a SANAS Accredited Verification Agency. NERA has assessed and verified the relevant B-BBEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the B-BBEE status of the enterprise, based on the Broad-Based Amended BEE Codes of Good Practice.

[www.nerasa.co.za](http://www.nerasa.co.za)

National Empowerment Rating Agency (Pty) Ltd Reg. 2005/041665/07



# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** Absa Alternative Asset Management Proprietary Limited  
**Trade Name** Absa Alternative Asset Management Proprietary Limited  
**Registration Number** 1999/027973/07  
**Location** 15 Alice Sandton

**Company Name** Absa Asset Management Proprietary Limited  
**Trade Name** Absa Asset Management Proprietary Limited  
**Registration Number** 1997/017903/07  
**Location** 15 Alice Sandton

**Company Name** Absa Bank Limited  
**Trade Name** Absa Bank Limited  
**Registration Number** 1986/004794/06  
**Location** 15 Alice Sandton

**Company Name** Absa Capital Securities Proprietary Limited  
**Trade Name** Absa Capital Securities Proprietary Limited  
**Registration Number** 2008/021179/07  
**Location** 15 Alice Sandton

**Company Name** Absa Consultants and Actuaries Proprietary Limited  
**Trade Name** Absa Consultants and Actuaries Proprietary Limited  
**Registration Number** 1961/001434/07  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.





# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** Absa Development Company Holdings Proprietary Limited  
**Trade Name** Absa Development Company Holdings Proprietary Limited  
**Registration Number** 1968/001326/07  
**Location** 15 Alice Sandton

**Company Name** Absa Financial Services Africa Holdings Proprietary Limited  
**Trade Name** Absa Financial Services Africa Holdings Proprietary Limited  
**Registration Number** 1997/011695/07  
**Location** 15 Alice Sandton

**Company Name** Absa Financial Services Limited  
**Trade Name** Absa Financial Services Limited  
**Registration Number** 1969/009007/06  
**Location** 15 Alice Sandton

**Company Name** Absa Fleet Services Proprietary Limited  
**Trade Name** Absa Fleet Services Proprietary Limited  
**Registration Number** 1977/002924/07  
**Location** 15 Alice Sandton

**Company Name** Absa Fund Managers Limited  
**Trade Name** Absa Fund Managers Limited  
**Registration Number** 1991/000881/06  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.







# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** Absa idirect Limited  
**Trade Name** Absa idirect Limited  
**Registration Number** 1988/091591/06  
**Location** 15 Alice Sandton

**Company Name** Absa Insurance and Financial Advisers Proprietary Limited  
**Trade Name** Absa Insurance and Financial Advisers Proprietary Limited  
**Registration Number** 1970/002732/07  
**Location** 15 Alice Sandton

**Company Name** Absa Insurance Company Limited  
**Trade Name** Absa Insurance Company Limited  
**Registration Number** 1992/001737/06  
**Location** 15 Alice Sandton

**Company Name** Absa Insurance Risk Management Services Limited  
**Trade Name** Absa Insurance Risk Management Services Limited  
**Registration Number** 2000/025898/06  
**Location** 15 Alice Sandton

**Company Name** Absa Investment Management Services Proprietary Limited  
**Trade Name** Absa Investment Management Services Proprietary Limited  
**Registration Number** 1980/002425/07  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

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# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** Absa Life Limited  
**Trade Name** Absa Life Limited  
**Registration Number** 1992/001738/06  
**Location** 15 Alice Sandton

**Company Name** Absa Trust Limited  
**Trade Name** Absa Trust Limited  
**Registration Number** 1915/004665/06  
**Location** Tower West, 15 Troye Street

**Company Name** Absa Portfolio Managers Proprietary Limited  
**Trade Name** Absa Portfolio Managers Proprietary Limited  
**Registration Number** 1954/001116/07  
**Location** 15 Alice Sandton

**Company Name** Absa Stockbrokers Proprietary Limited  
**Trade Name** Absa Stockbrokers Proprietary Limited  
**Registration Number** 1973/010798/07  
**Location** 15 Alice Sandton

**Company Name** Absa Technology Finance Solutions Proprietary Limited  
**Trade Name** Absa Technology Finance Solutions Proprietary Limited  
**Registration Number** 1980/010876/07  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.





# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** Absa Vehicle Management Proprietary Limited  
**Trade Name** Absa Vehicle Management Proprietary Limited  
**Registration Number** 1998/006289/07  
**Location** 15 Alice Sandton

**Company Name** Absa Vehicle Management Solutions Proprietary Limited  
**Trade Name** Absa Vehicle Management Solutions Proprietary Limited  
**Registration Number** 1994/005779/07  
**Location** 15 Alice Sandton

**Company Name** Blue Age Properties 60 (Pty) Ltd  
**Trade Name** Blue Age Properties 60 (Pty) Ltd  
**Registration Number** 2007/019053/07  
**Location** 15 Alice Sandton

**Company Name** Culemborg Investment Properties (Pty) Ltd  
**Trade Name** Culemborg Investment Properties (Pty) Ltd  
**Registration Number** 2001/024389/07  
**Location** 15 Alice Sandton

**Company Name** Diluculo Investments Proprietary Limited  
**Trade Name** Diluculo Investments Proprietary Limited  
**Registration Number** 2006/033277/07  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.





# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

**Company Name** FFS Finance South Africa Proprietary (RF) Limited  
**Trade Name** FFS Finance South Africa Proprietary (RF) Limited  
**Registration Number** 1986/002238/07  
**Location** 15 Alice Sandton

**Company Name** Home Obligors Mortgage Enhanced Securities (RF) Limited  
**Trade Name** Home Obligors Mortgage Enhanced Securities (RF) Limited  
**Registration Number** 2006/007171/06  
**Location** 15 Alice Sandton

**Company Name** MAN Financial Services (SA) Proprietary (RF) Limited  
**Trade Name** MAN Financial Services (SA) Proprietary (RF) Limited  
**Registration Number** 1997/011686/07  
**Location** 15 Alice Sandton

**Company Name** NewFunds Proprietary (RF) Limited  
**Trade Name** NewFunds Proprietary (RF) Limited  
**Registration Number** 2005/034899/07  
**Location** 15 Alice Sandton

**Company Name** Newgold Manager Proprietary Limited  
**Trade Name** Newgold Manager Proprietary Limited  
**Registration Number** 2004/007543/07  
**Location** 15 Alice Sandton

**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.





# NERA

NATIONAL EMPOWERMENT RATING AGENCY

## CONSOLIDATED ENTERPRISES

<b>Company Name</b>	Newgold Owner Trust
<b>Trade Name</b>	Newgold Owner Trust
<b>Registration Number</b>	IT8350/04
<b>Location</b>	15 Alice Sandton

<b>Company Name</b>	Woolworths Financial Services Proprietary Limited
<b>Trade Name</b>	Woolworths Financial Services Proprietary Limited
<b>Registration Number</b>	2000/009327/07
<b>Location</b>	15 Alice Sandton



**Ebrahiem Mohamed**  
Verification Manager



BVA 020

NERA has assessed and verified the relevant BEE Elements of the above mentioned enterprise, to provide an independent and impartial opinion on the BEE status of the enterprise, based on the Financial Sector Code Scorecard.