Barclays Africa Group Limited

FY13 results presentation

11 February 2014

Strategy

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Our commitments

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

RoE 18% to 20%

Cost to income ratio in the low 50s

Rest of Africa 20% to 25% of total revenue

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Finance

David Hodnett

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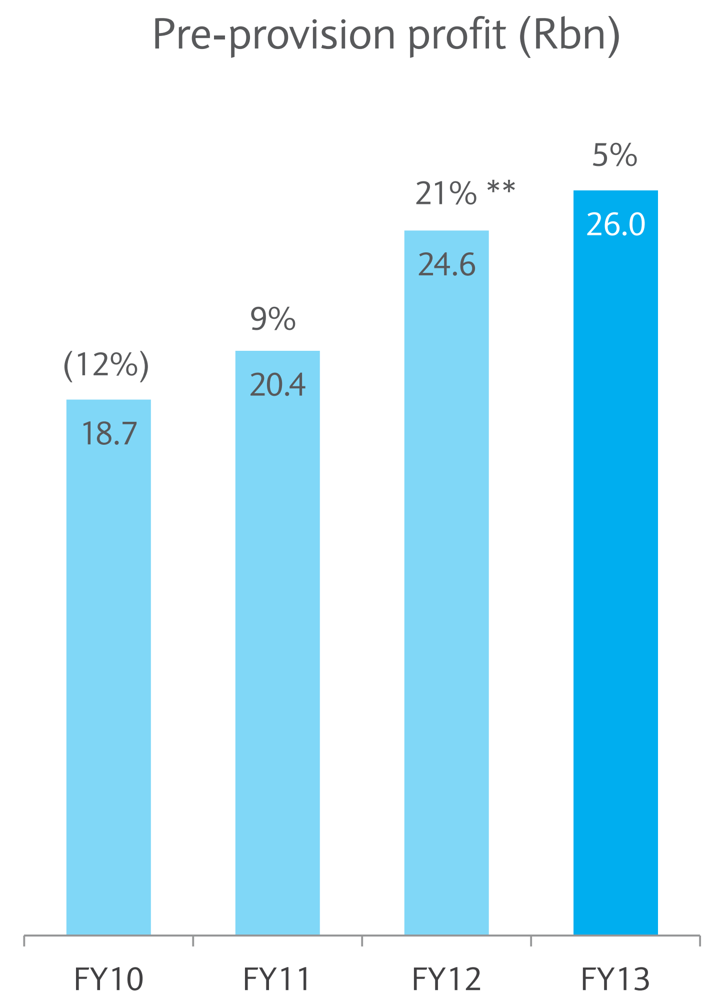
Lower impairments drove earnings growth

	FY13 Rm	FY12 Rm	Change %
Net interest income	**32 351**	29 302	10
Non-interest income	**27 055**	25 674	5
Total revenue	**59 406**	54 976	8
Credit losses	**(6 987)**	(8 855)	(21)
Operating expenses	**(33 420)**	(30 329)	10
Other *	**(1 033)**	(856)	21
Associates and JVs	**130**	249	(48)
Taxation	**(5 222)**	(4 439)	18
Non-controlling interest	**(893)**	(747)	20
Attributable earnings	**11 981**	9 999	20
Headline earnings	**11 843**	10 419	14



Note: * Indirect taxation and other impairments; ** changed to Barclays Africa Group Limited, previously R21.1 bn, up 3%

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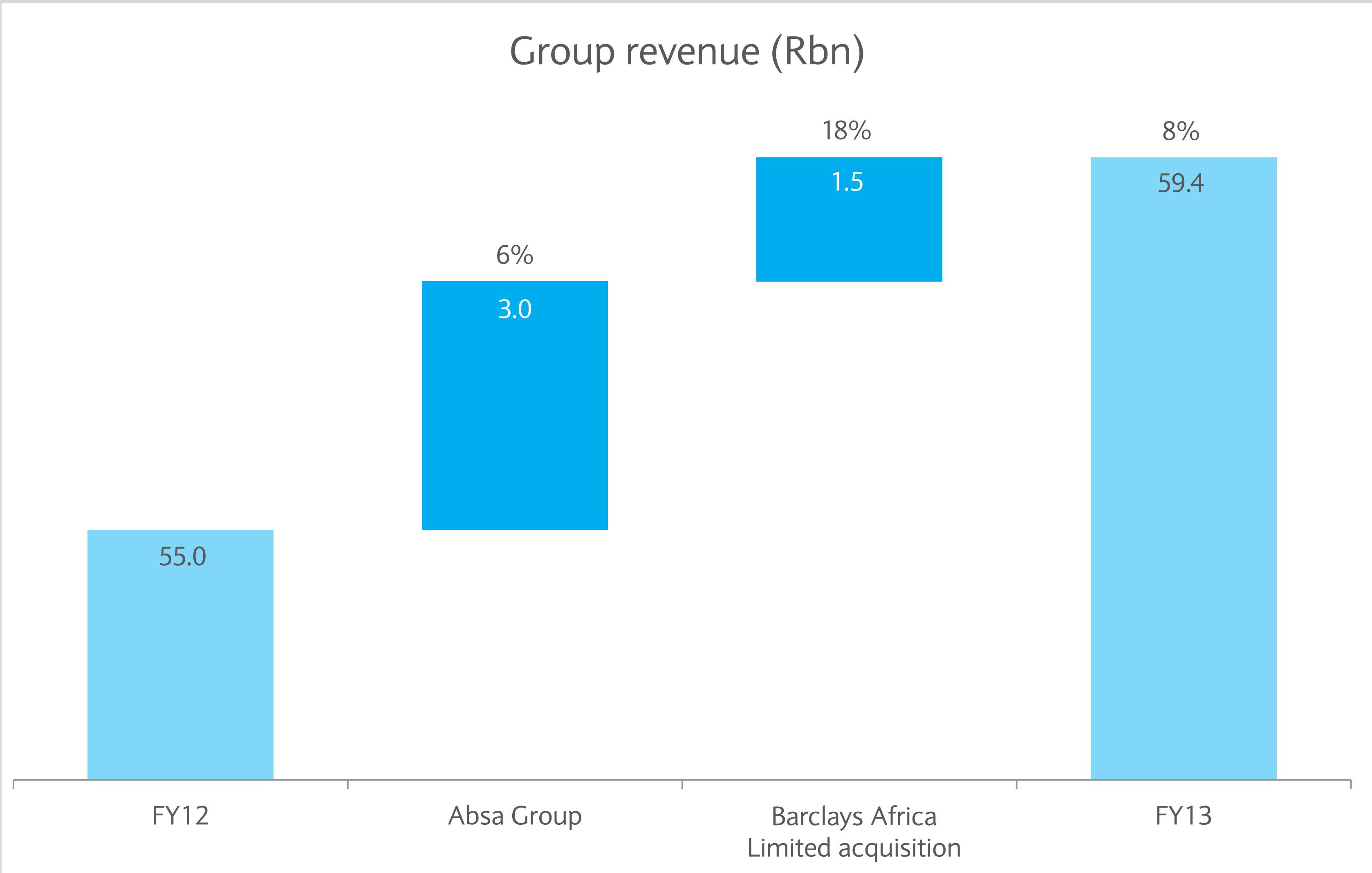
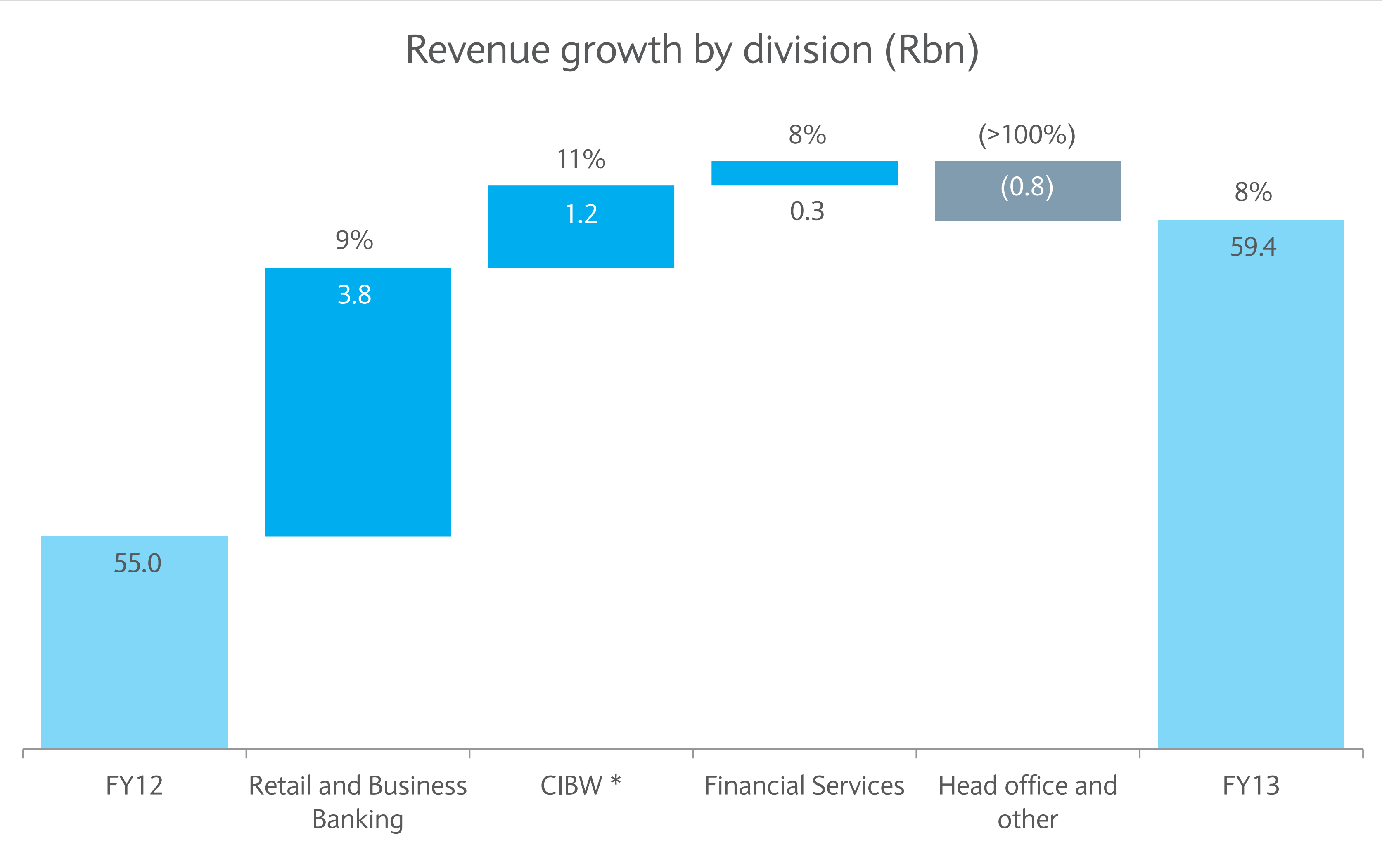
African acquisition enhanced revenue growth



Improving revenue growth across divisions



Note: * Corporate, Investment Bank and Wealth

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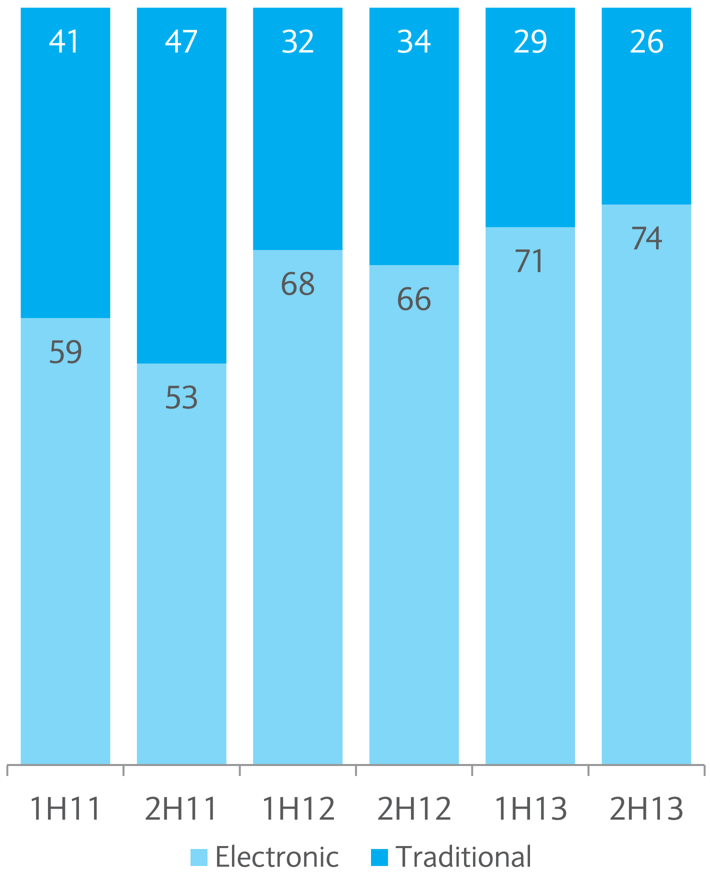
Moderate non-interest revenue growth

	FY13 Rm	Change %	Mix %
Net fees and commissions	17 623	6	65
— Retail Banking SA	10 757	5	40
— Business Banking SA	2 853	2	11
— CIBW	2 118	27	8
— RBB RoA	1 895	(2)	7
Financial Services	4 353	8	16
Markets – net trading result	3 993	(3)	15
Revaluations – equity and Private Equity	(23)	62	0
Other income	1 109	20	4
Total	27 055	5	

Retail SA transaction split (%)



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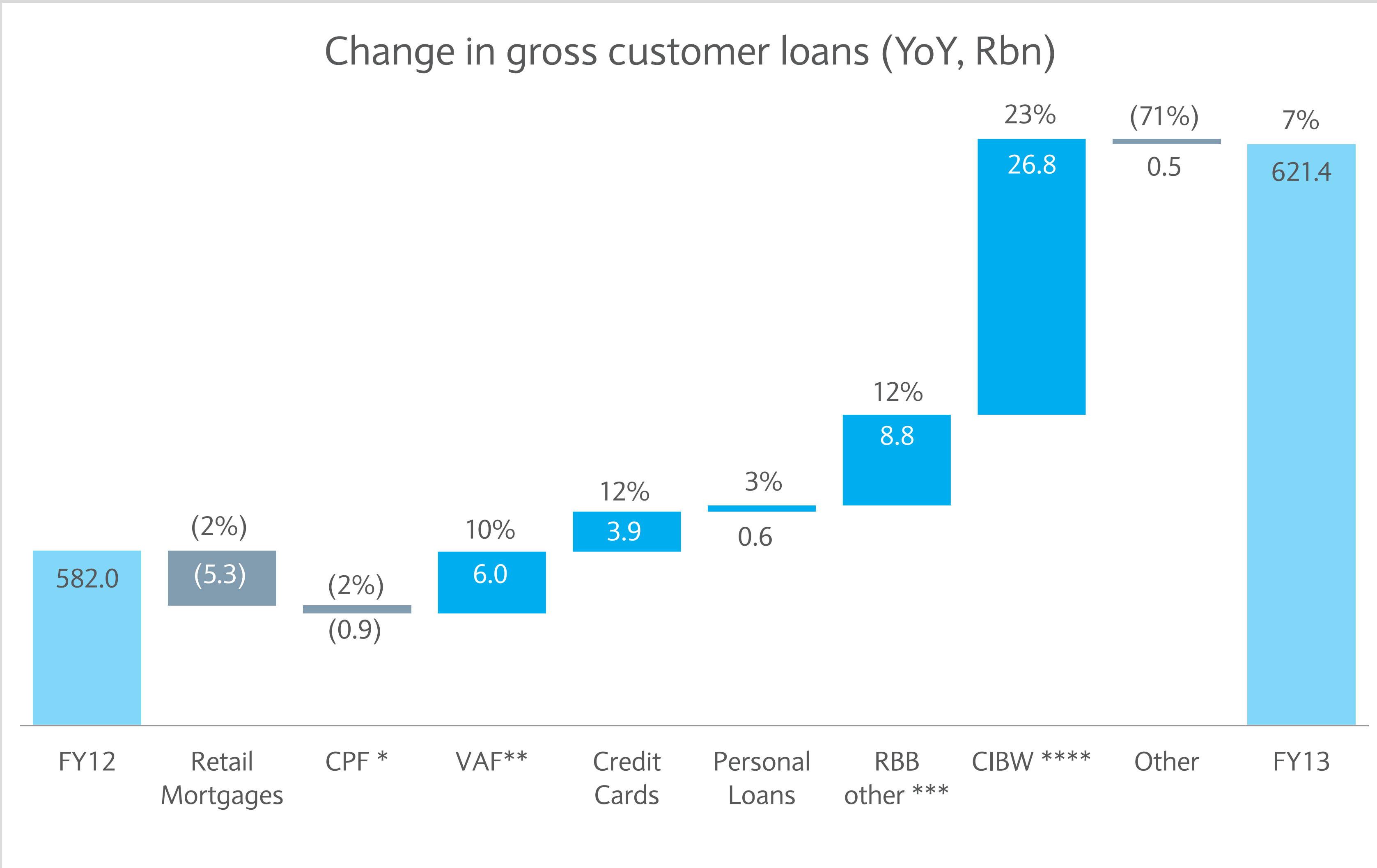
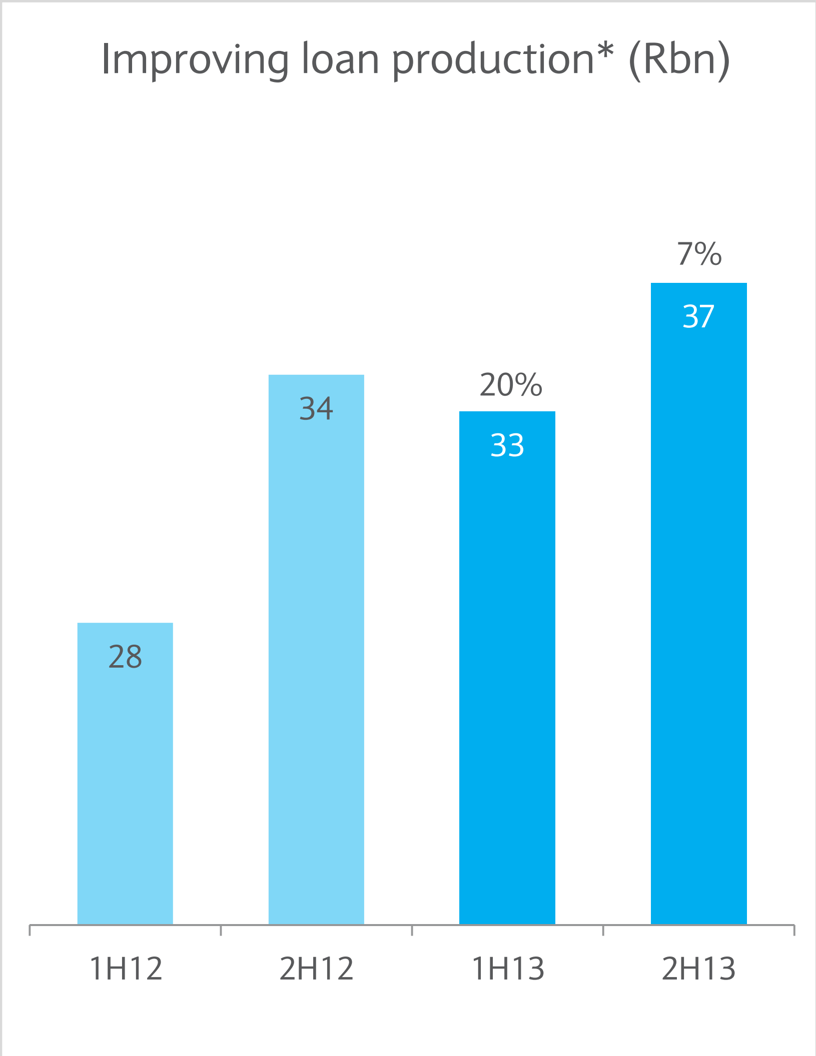
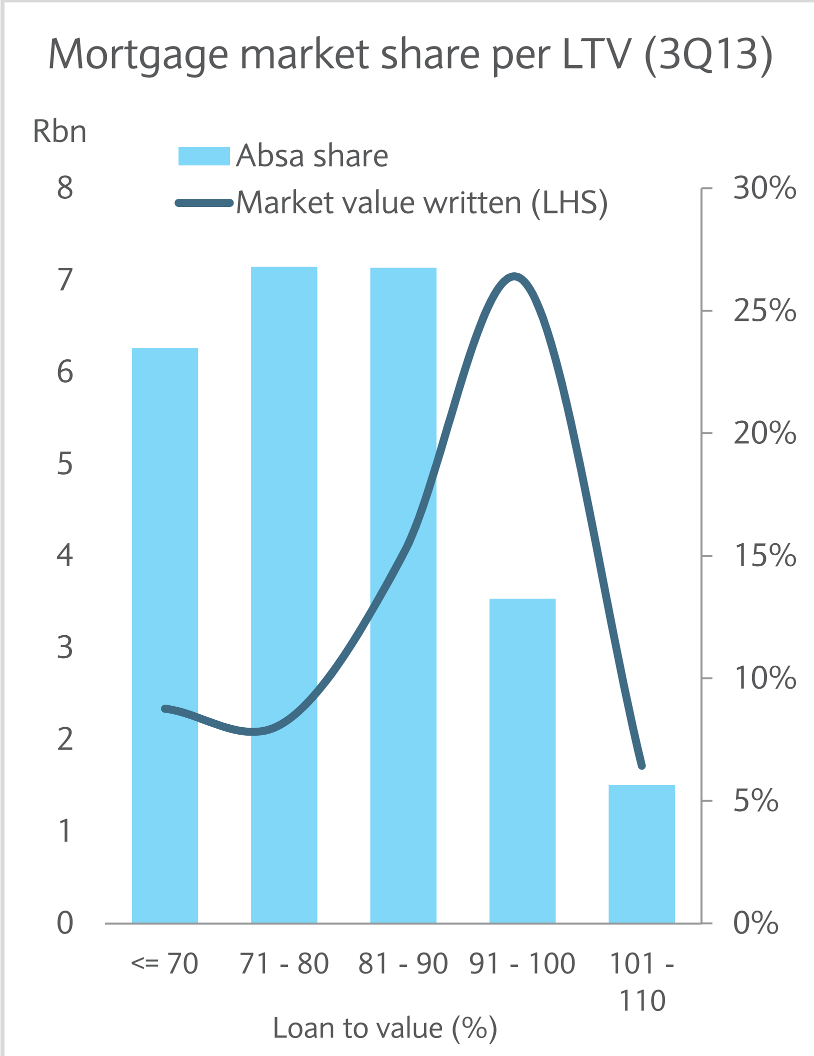
Solid growth outside property-related lending



Note: * Includes CIBW mortgages; ** retail credit instalment agreements; *** largely Rest of Africa **** excludes mortgages

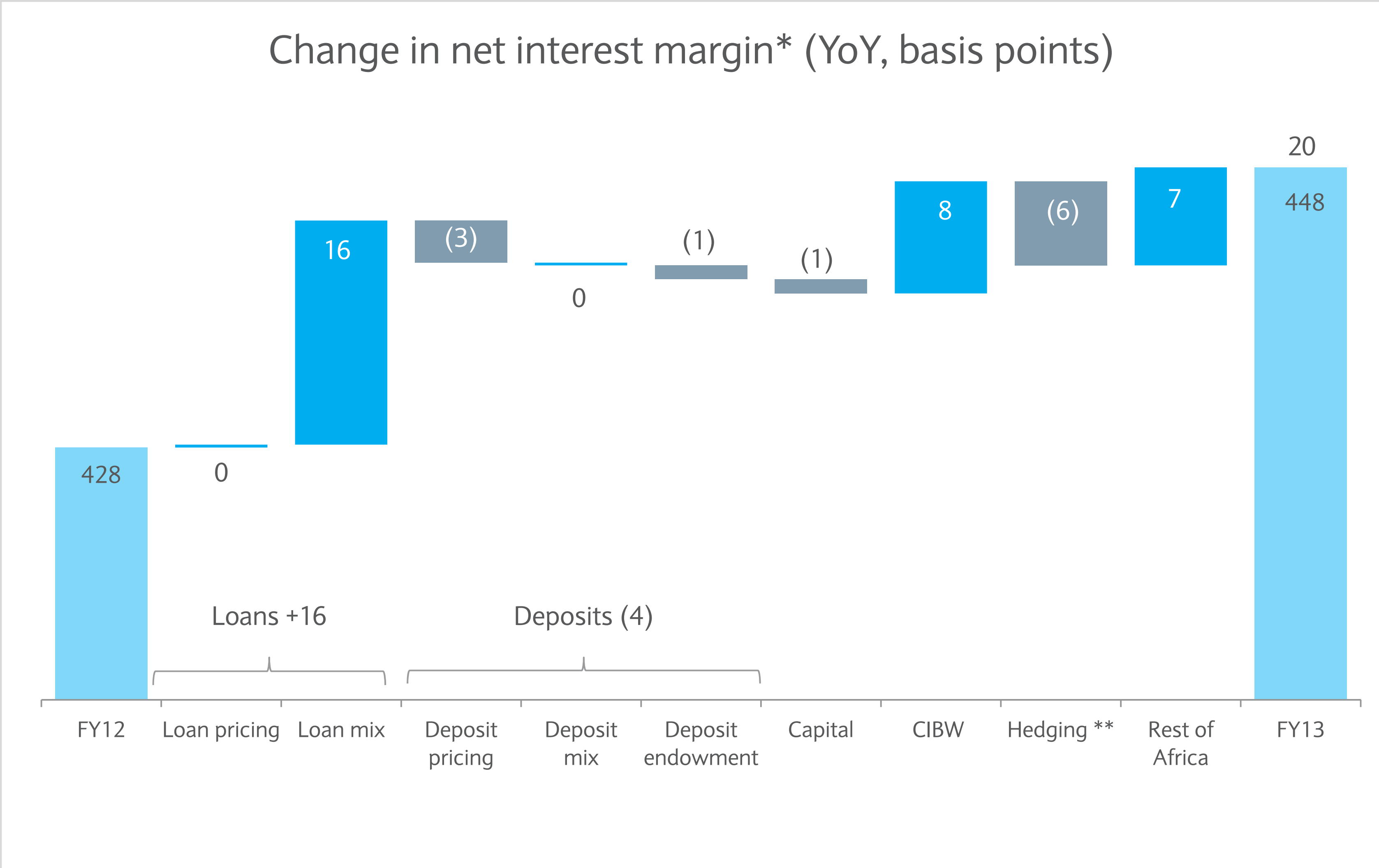
Improving momentum in quality lending





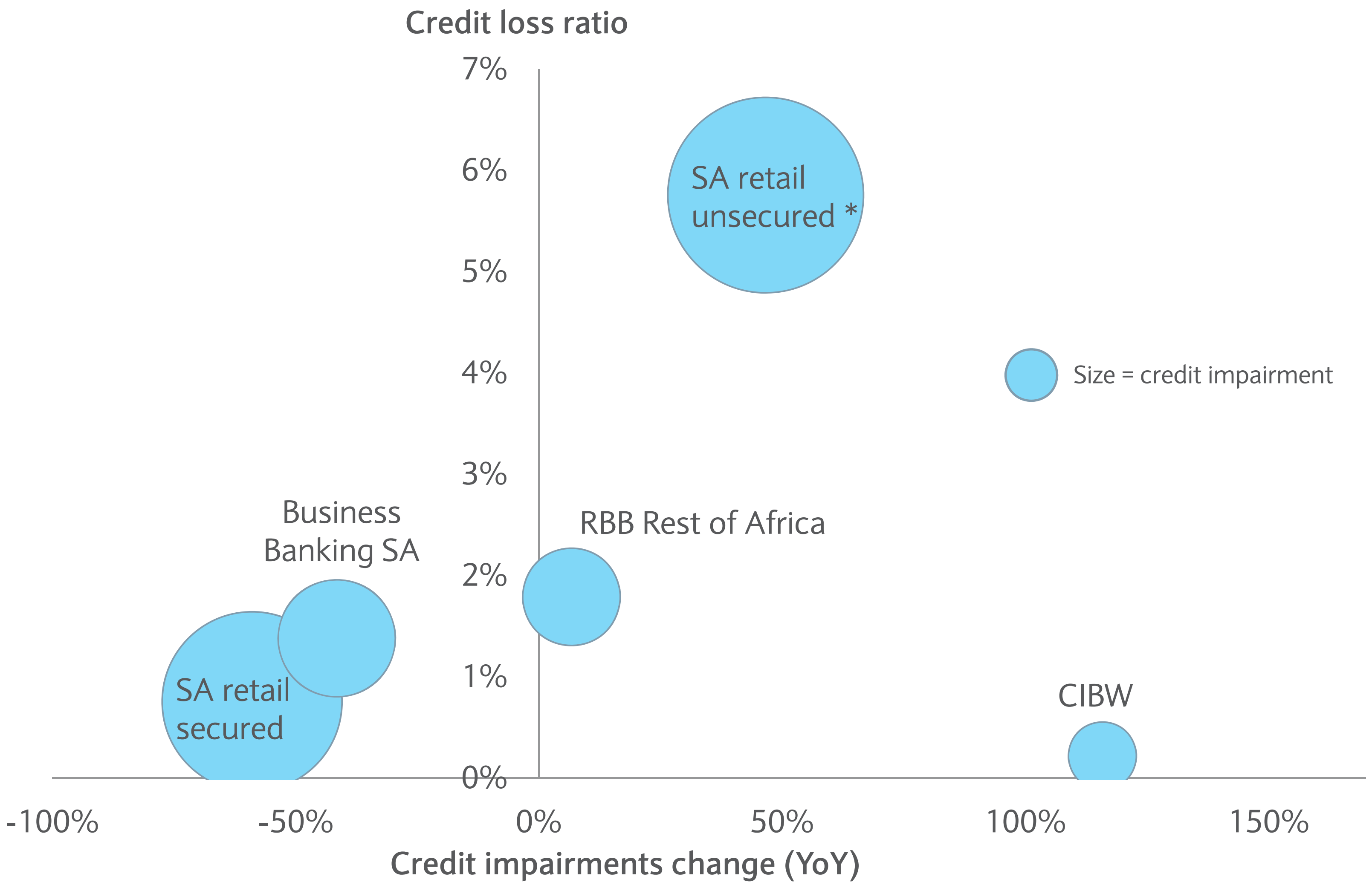
Note: * Mortgages, personal loans and vehicle and asset finance

Wider margin largely due to Edcon



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

Far lower asset-backed credit impairments



Notes: * Actual YoY growth was 131%, graph annualises Edcon's growth

Credit loss ratio and NPL cover improved

	Credit loss ratio FY13 %	Credit loss ratio FY12 %	NPL cover FY13 %	NPL cover FY12 %
Retail and Business Banking (RBB)	**1.50**	2.05	**41.4**	37.8
• Retail Banking South Africa	**1.48**	1.96	**38.6**	35.5
- Mortgages	**0.74** *	2.09 *	**27.8**	28.5
- Vehicle and Asset Finance	**0.80**	1.08	**46.2**	50.0
- Credit card	**5.63**	2.01	**71.4**	66.9
Card	**3.29**	1.82	**65.9**	66.9
Edcon	**11.86**	5.03	**81.0**	n/a
- Personal loans	**6.23**	5.00	**62.9**	64.4
- Other Retail Bank	**1.51**	1.48	**58.4**	70.3
• RBB Rest of Africa	**1.79**	2.45	**57.3**	52.4
• Business Banking South Africa	**1.43**	2.37	**40.4**	40.1
Corporate, Investment Bank and Wealth	**0.22**	0.12	**50.7**	42.6
Group	**1.20**	1.60	**41.8**	38.0

Notes: * Home Loans credit loss ratio

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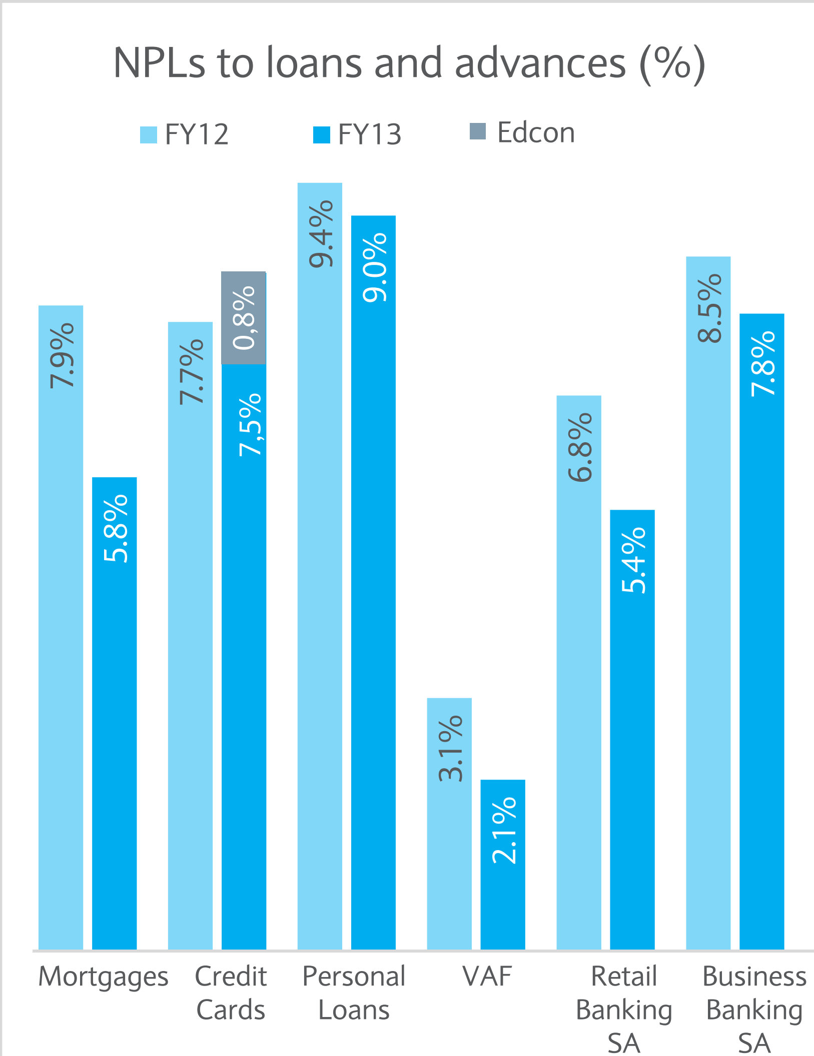
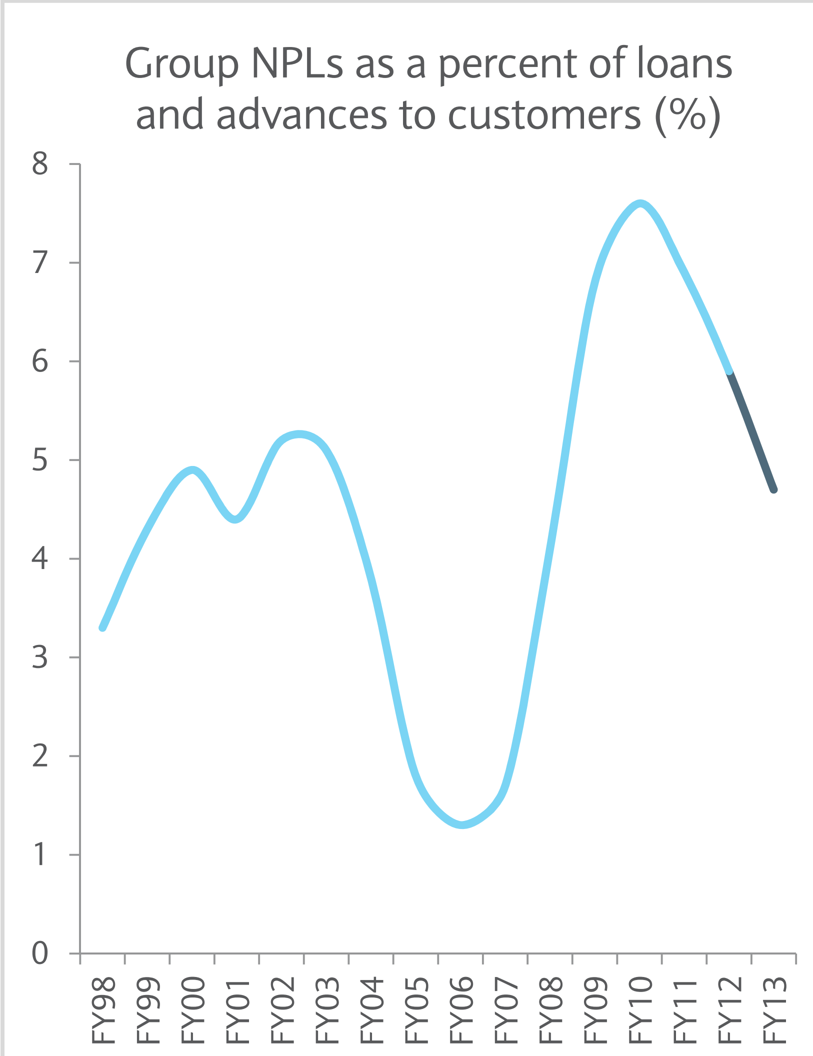
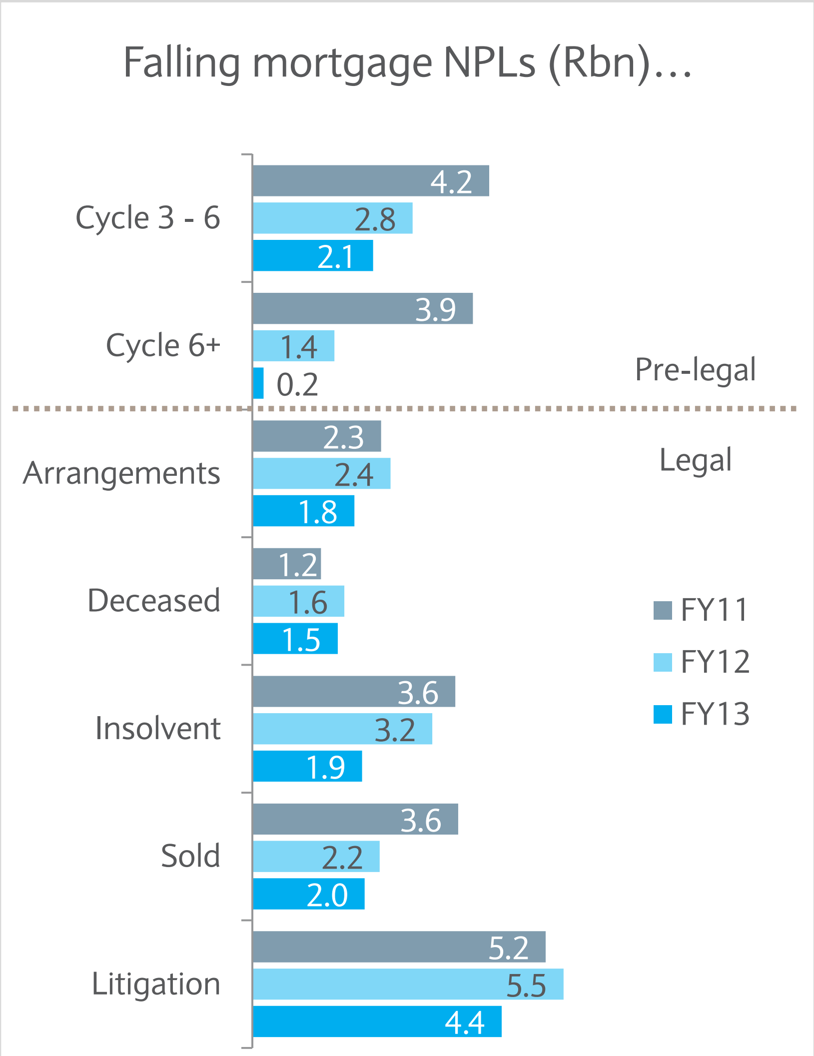
Most NPL categories continue to decline

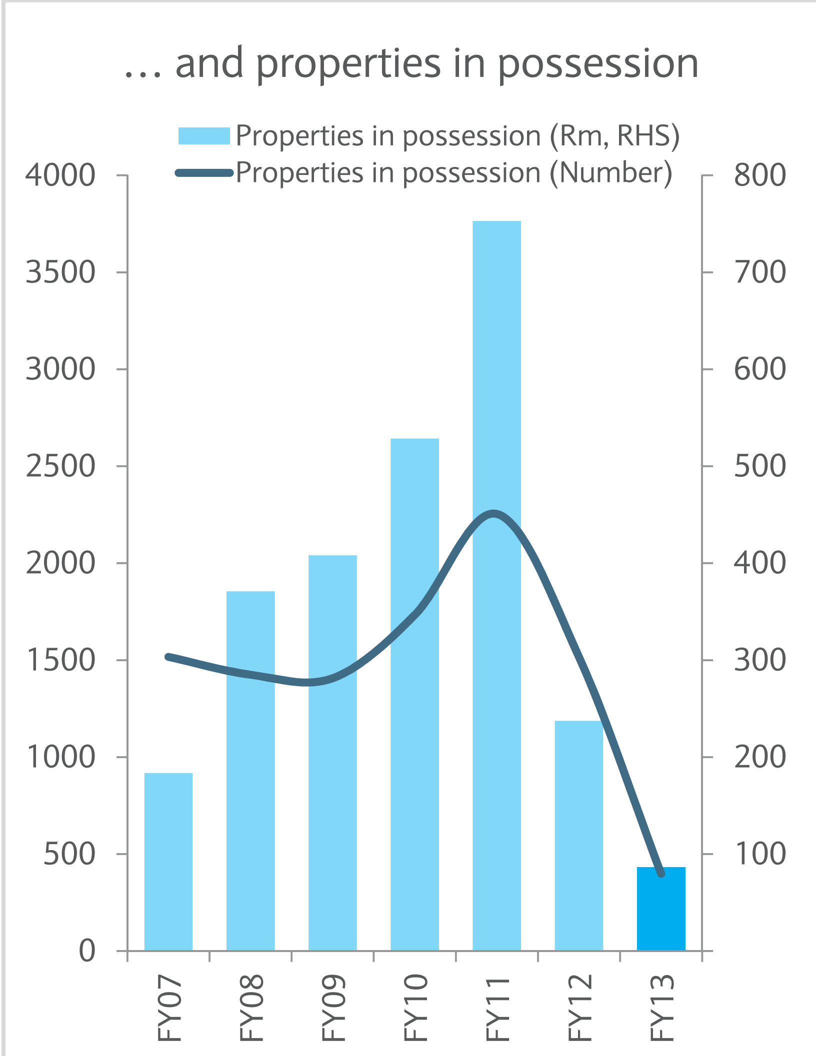




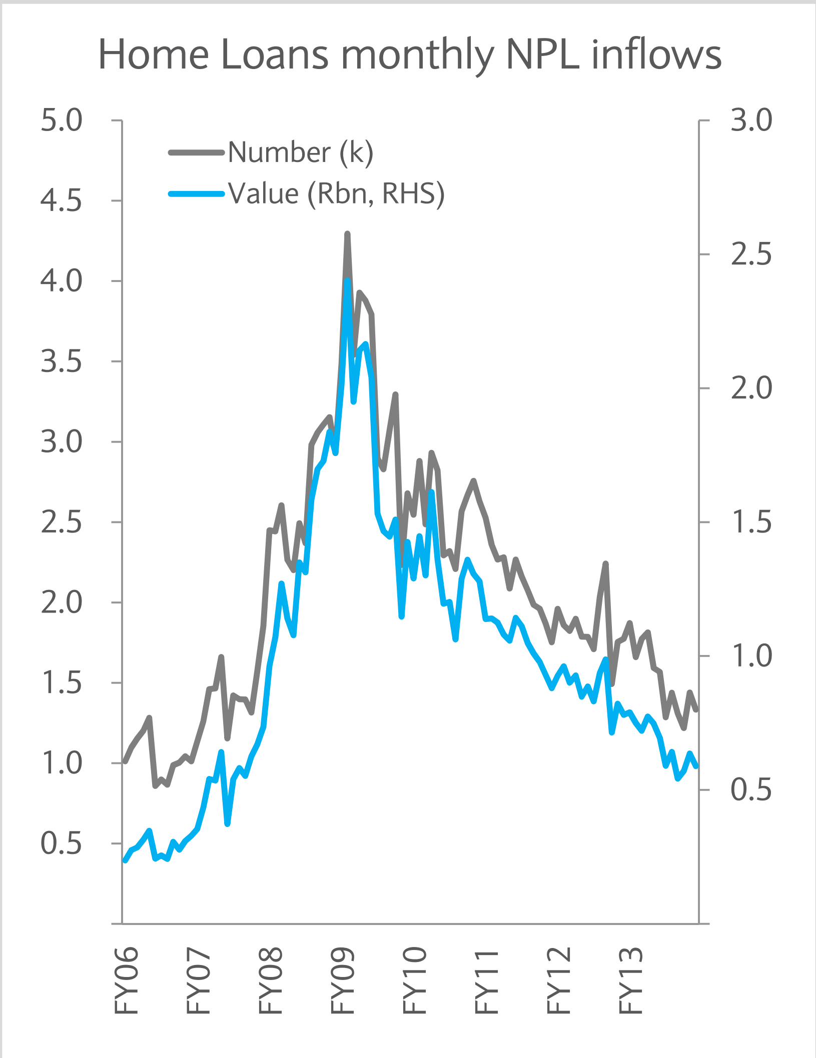
Note: Grey line is Barclays Africa Group

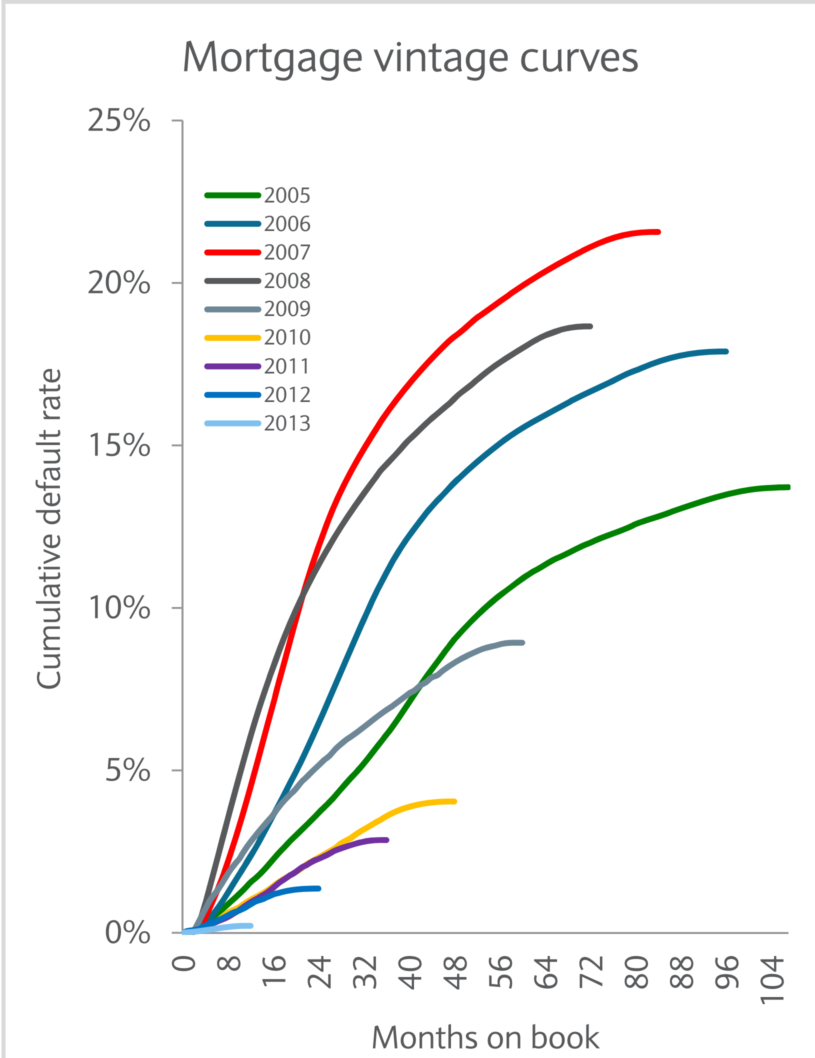
Better mortgage NPL construct



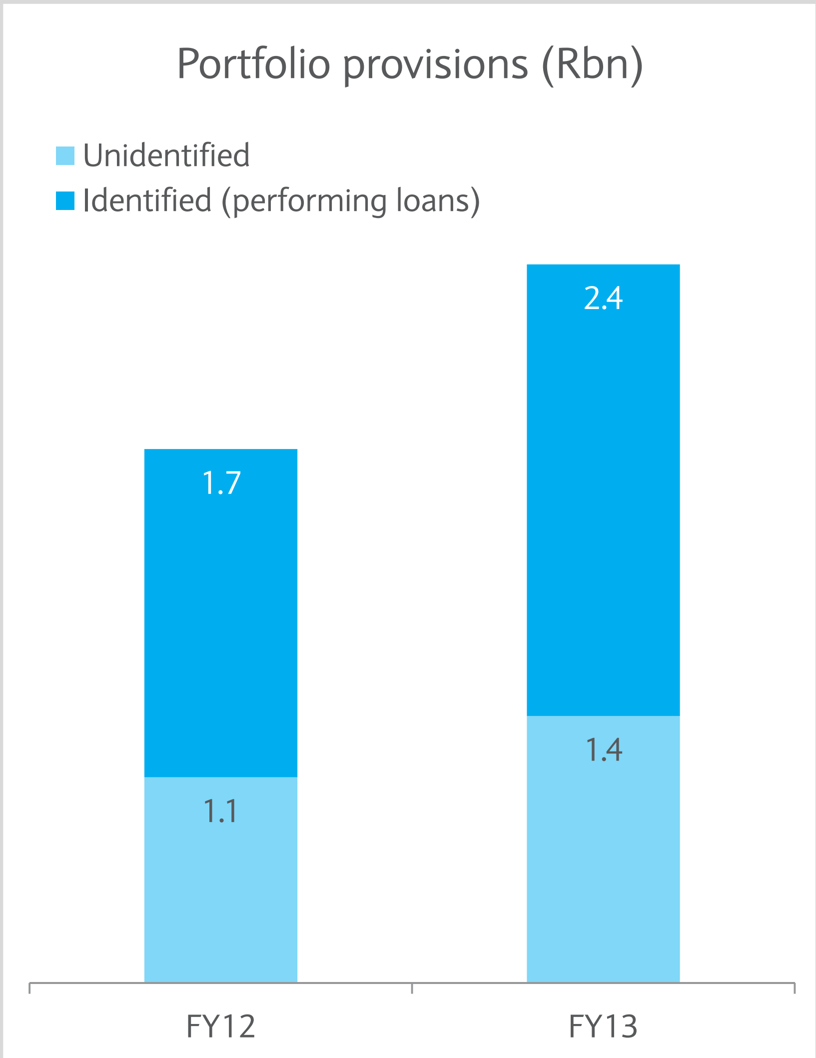


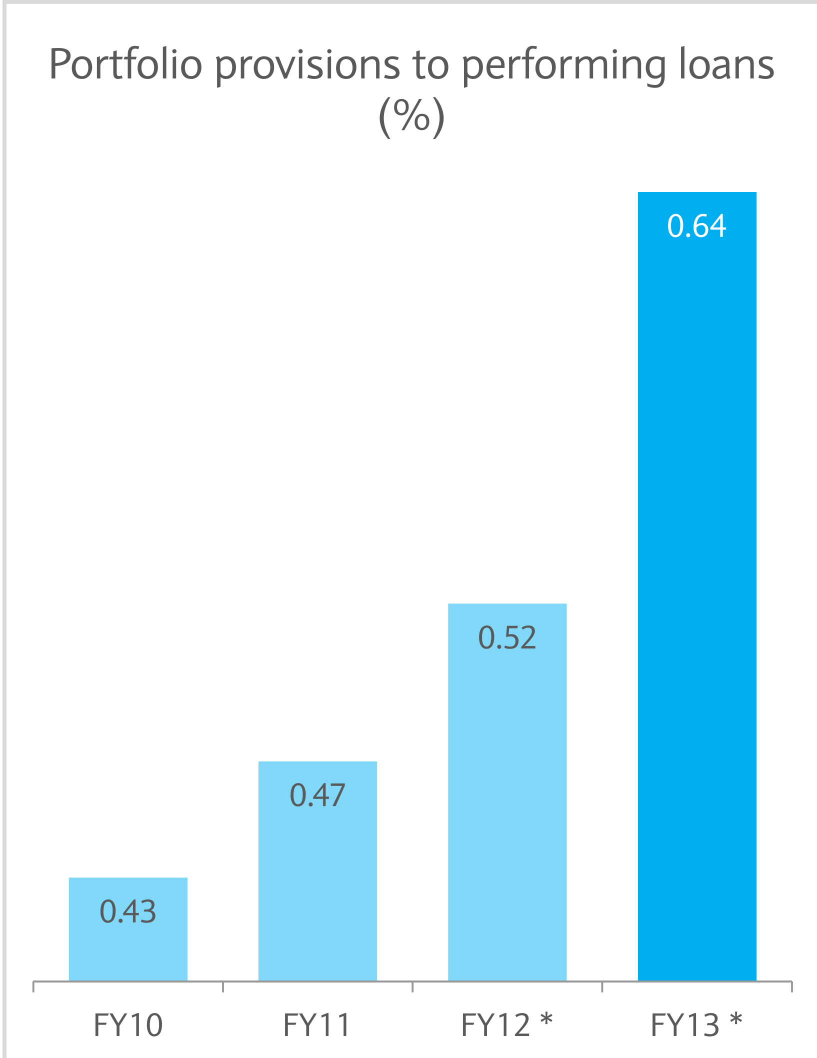
Decreasing mortgage NPL inflows bode well





Increased portfolio provisions significantly

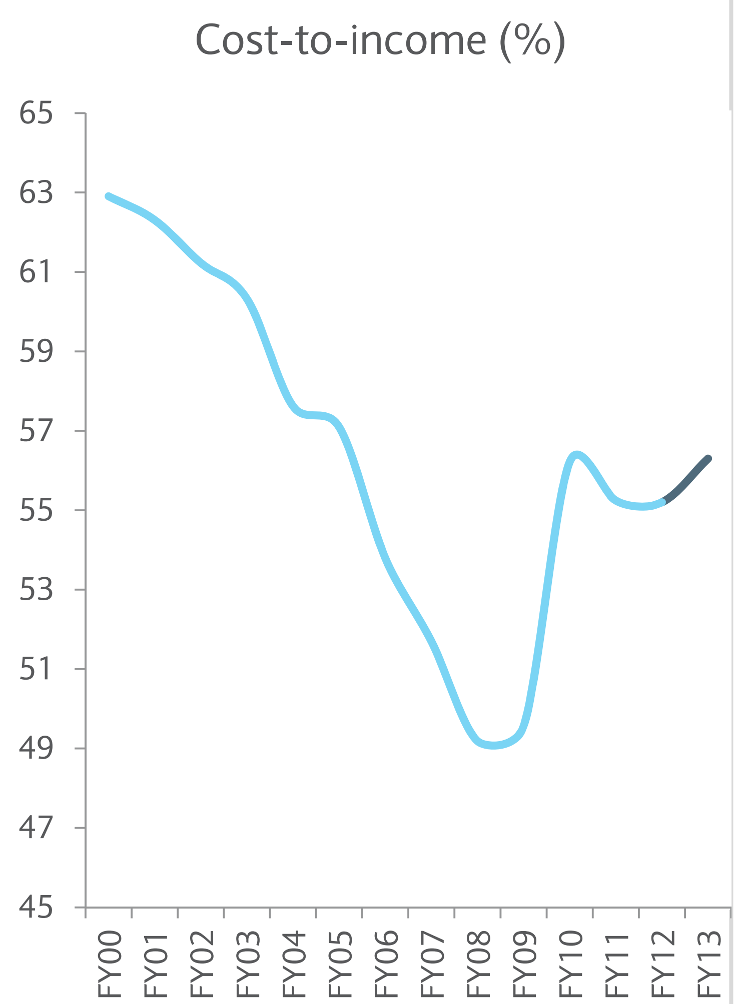




Note: * Barclays Africa Group

Higher cost growth reflects investment

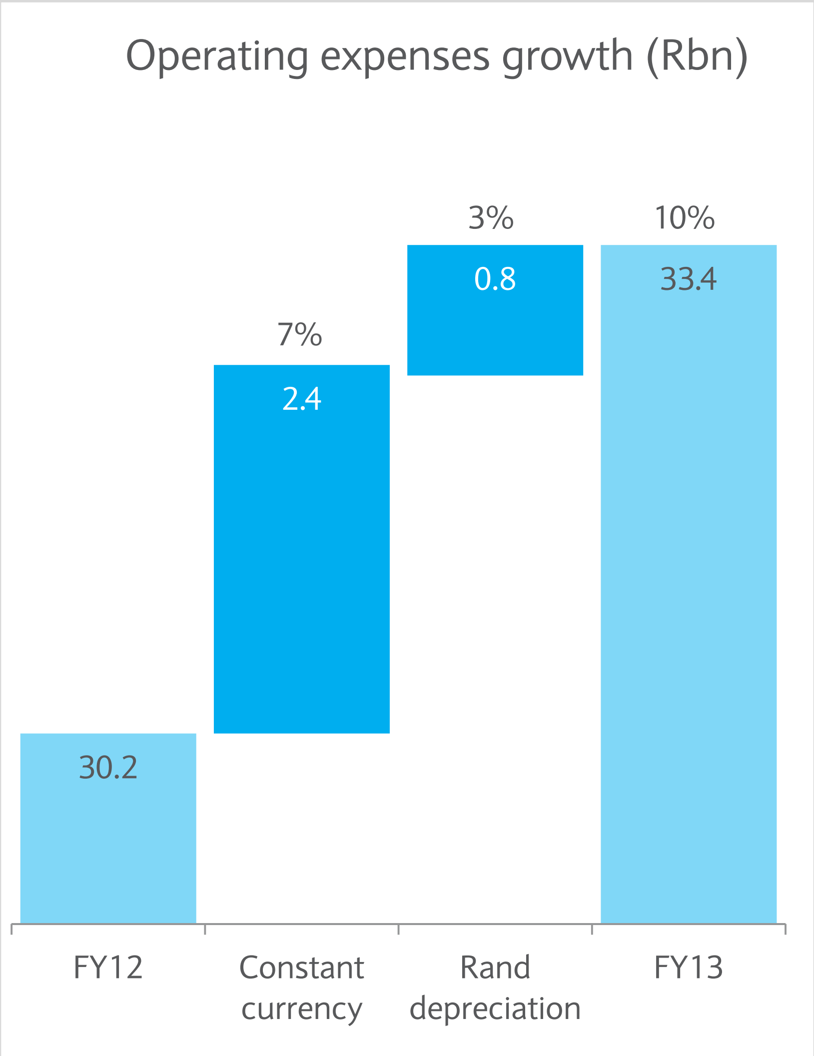
	FY13 Rm	Change %	Mix %
Staff costs	17 593	11	53
Property-related costs	5 033	2	15
Information technology	2 078	(6)	6
Professional fees*	1 837	61	5
Communication	1 393	9	4
Marketing costs	1 355	19	4
Cash transportation	715	1	2
Amortisation	470	44	1
Other	2 946	5	9
Total	33 420	10	

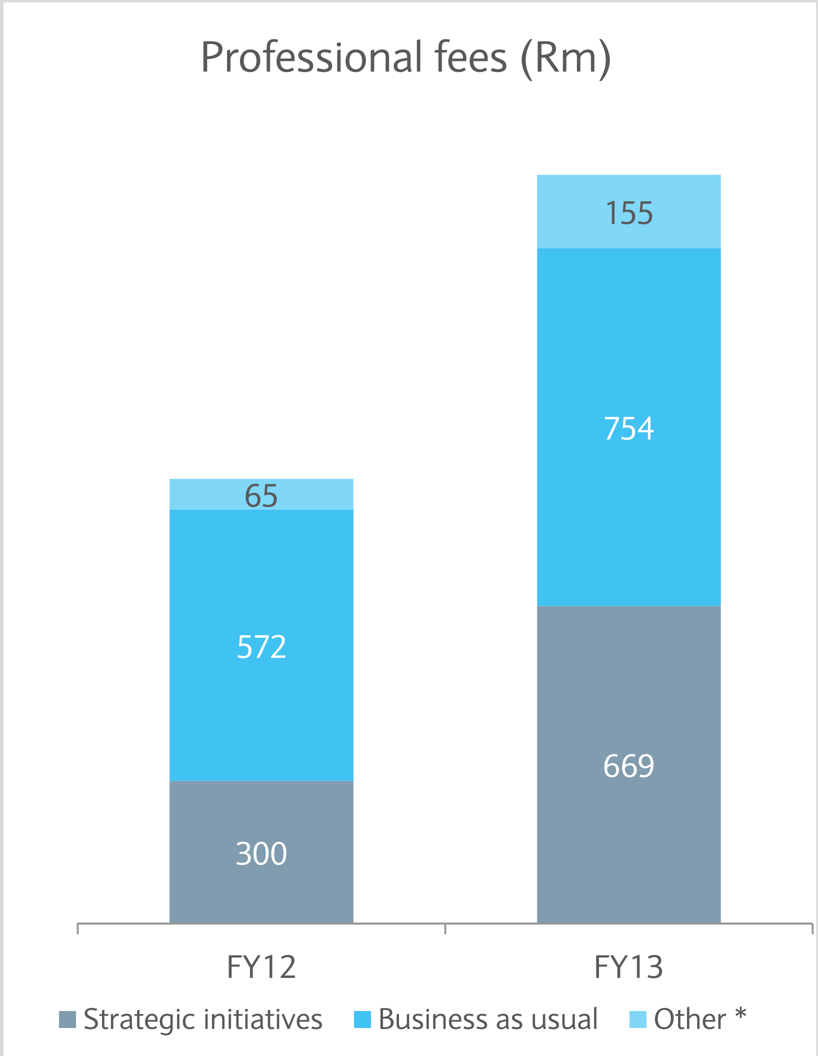


Note: * Includes auditor's remuneration

Note: Grey line is Barclays Africa Group

Currency and strategic investments increased costs





Note: * Includes legal, credit bureau and other fees

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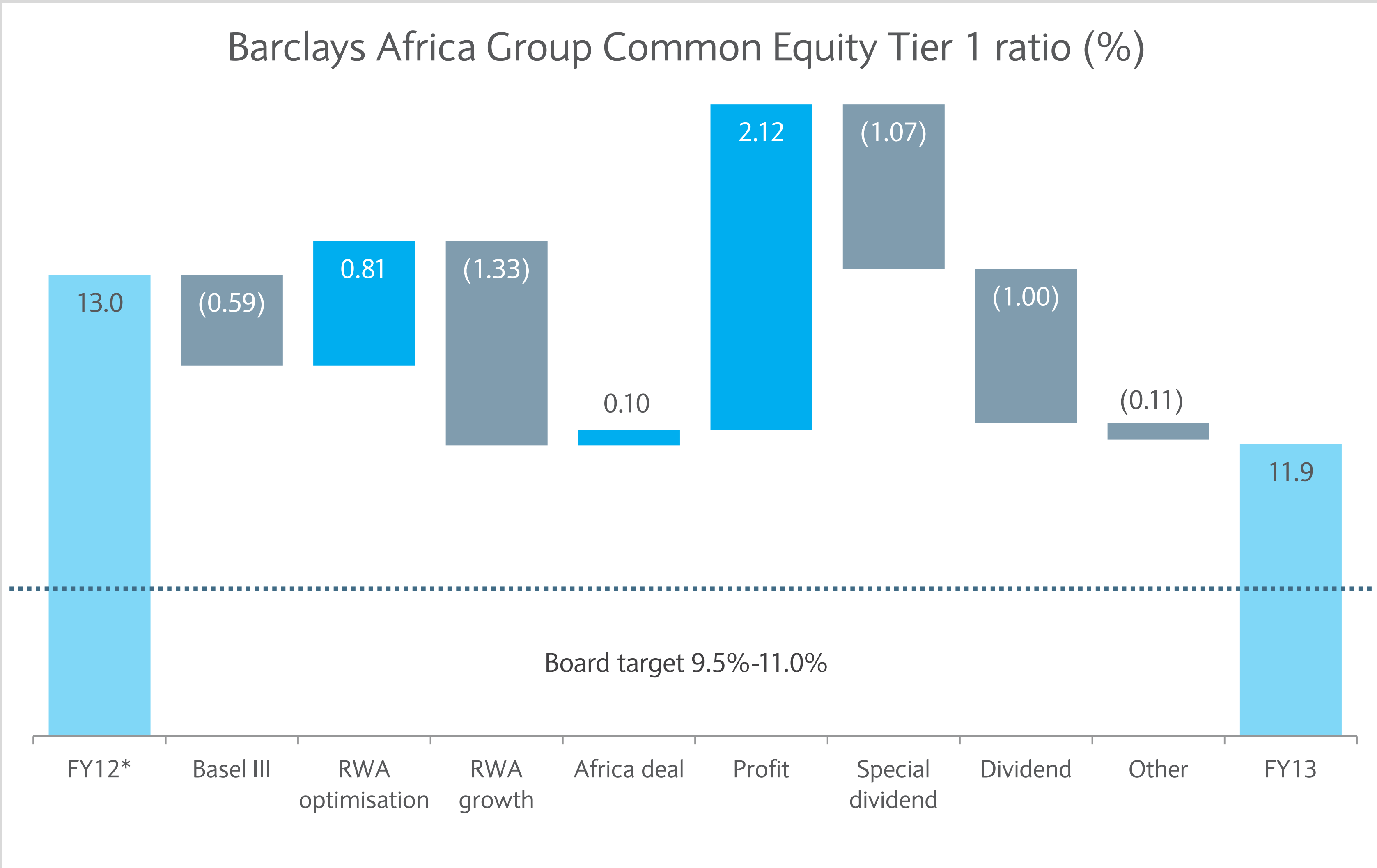
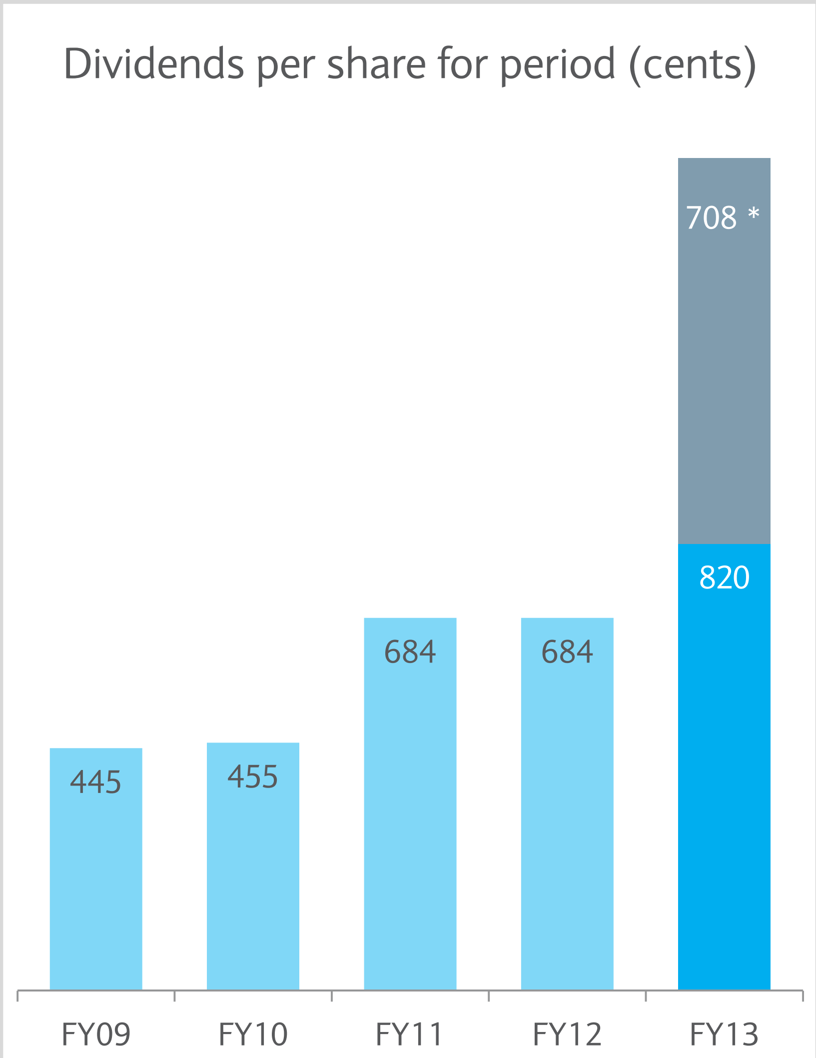
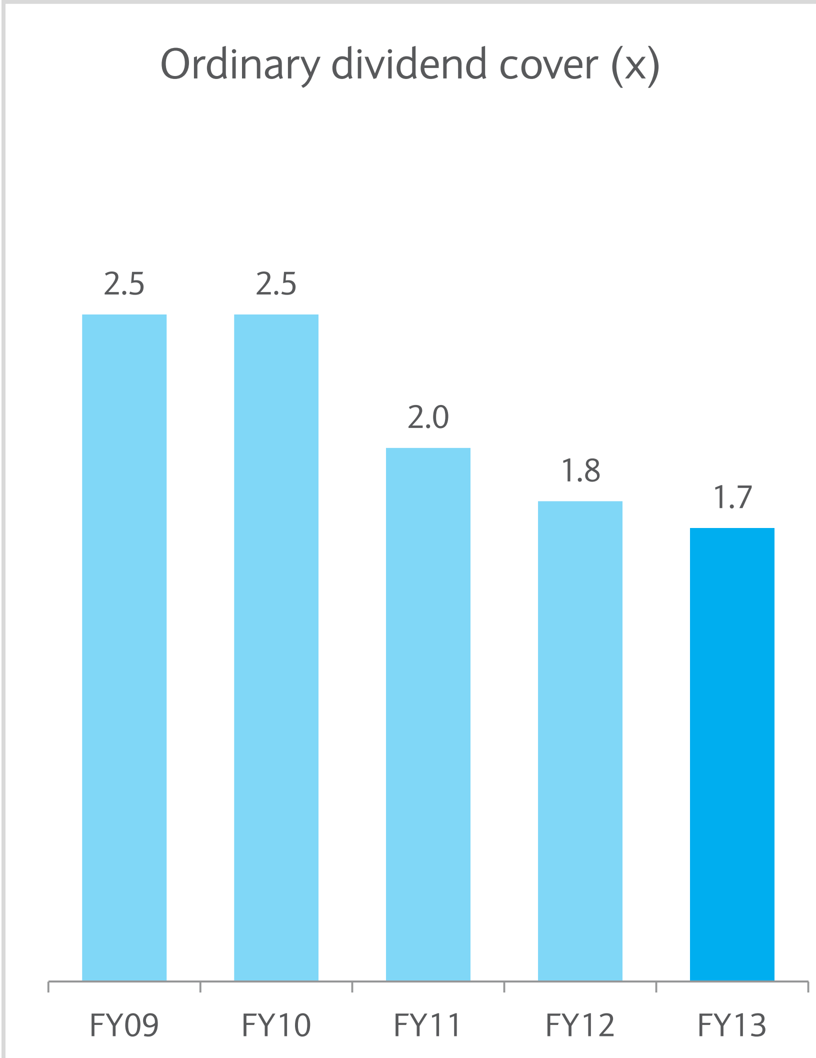
Capital ratio above target



Note: * Absa Group ratio

Strong dividend growth





Note: * Special dividend

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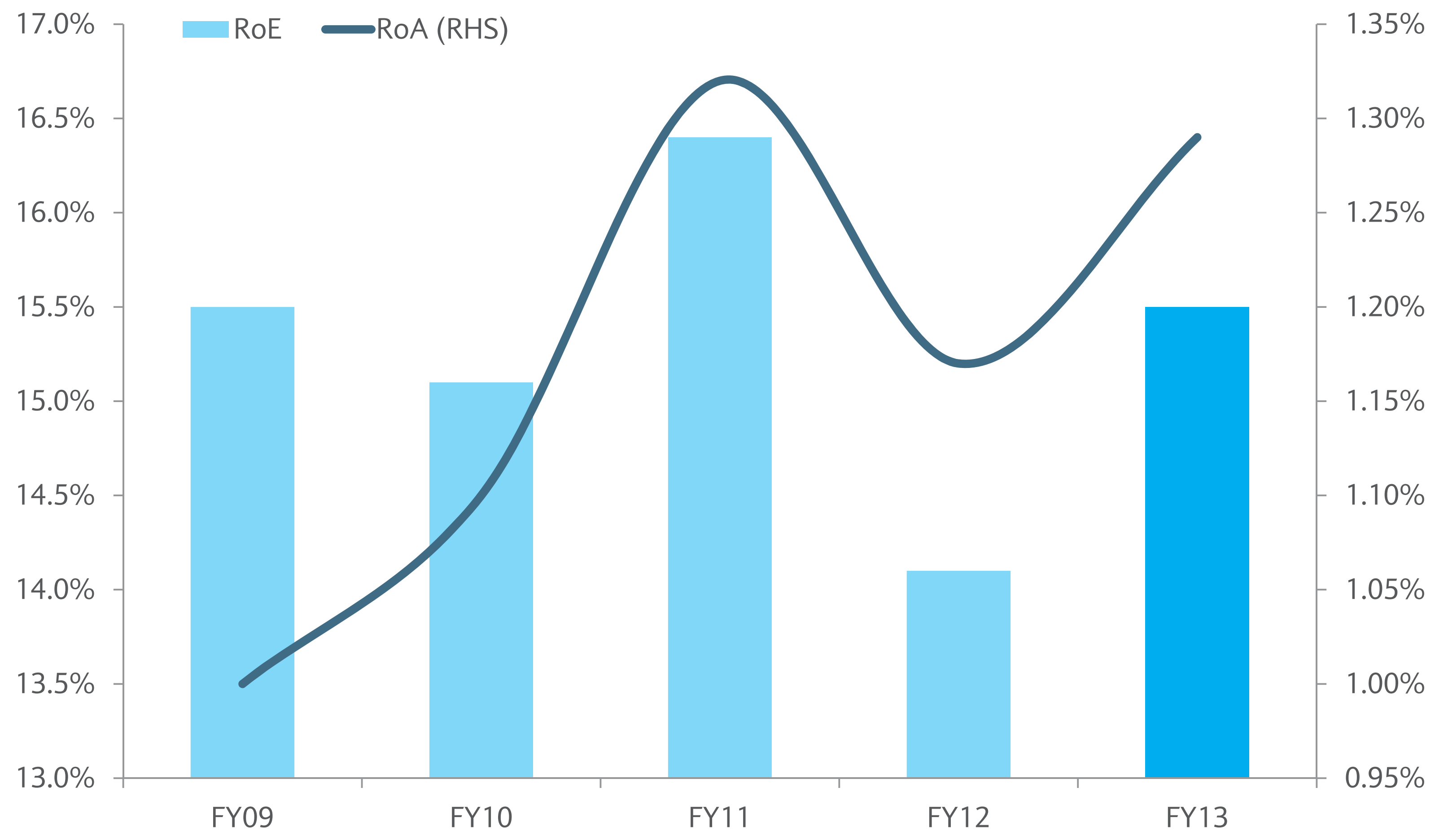
Underlying returns improved



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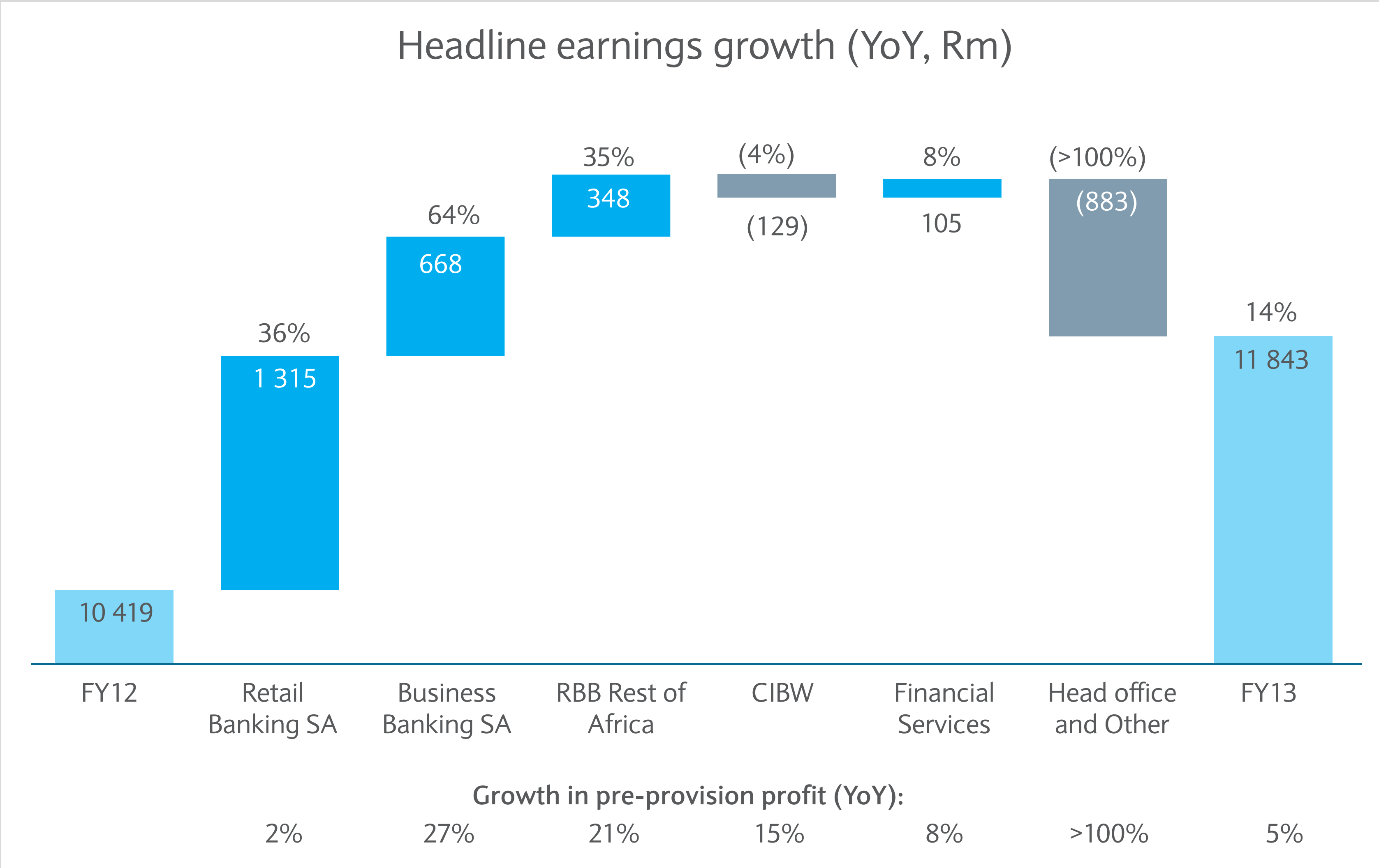
Strong divisional earnings growth



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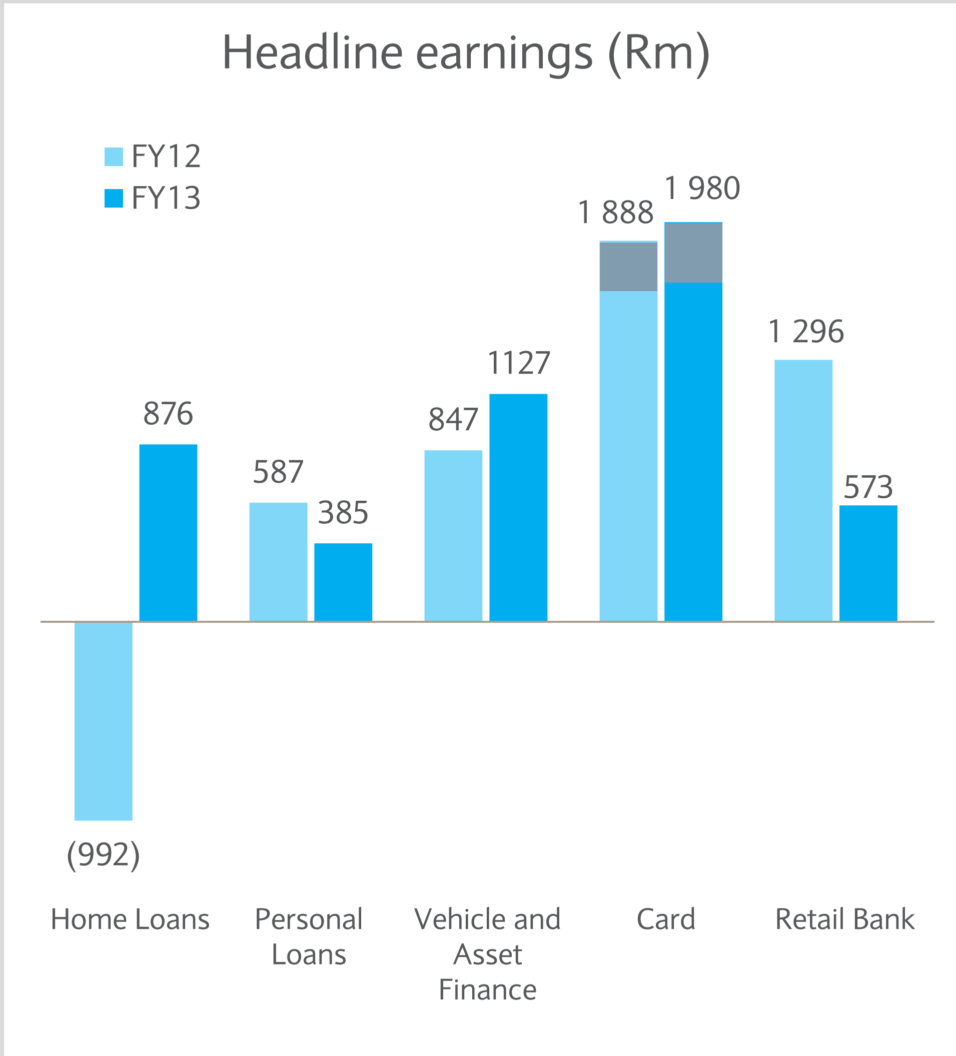
Retail Banking SA turnaround continues

- Strong earnings growth
- Credit impairments reduced sharply as mortgage legal book improved
- Strong asset flow growth with selective strategies
- Fee growth still weak on lower transaction volumes
- Efficiency focus



Note: * Grey bar in Card indicates Edcon

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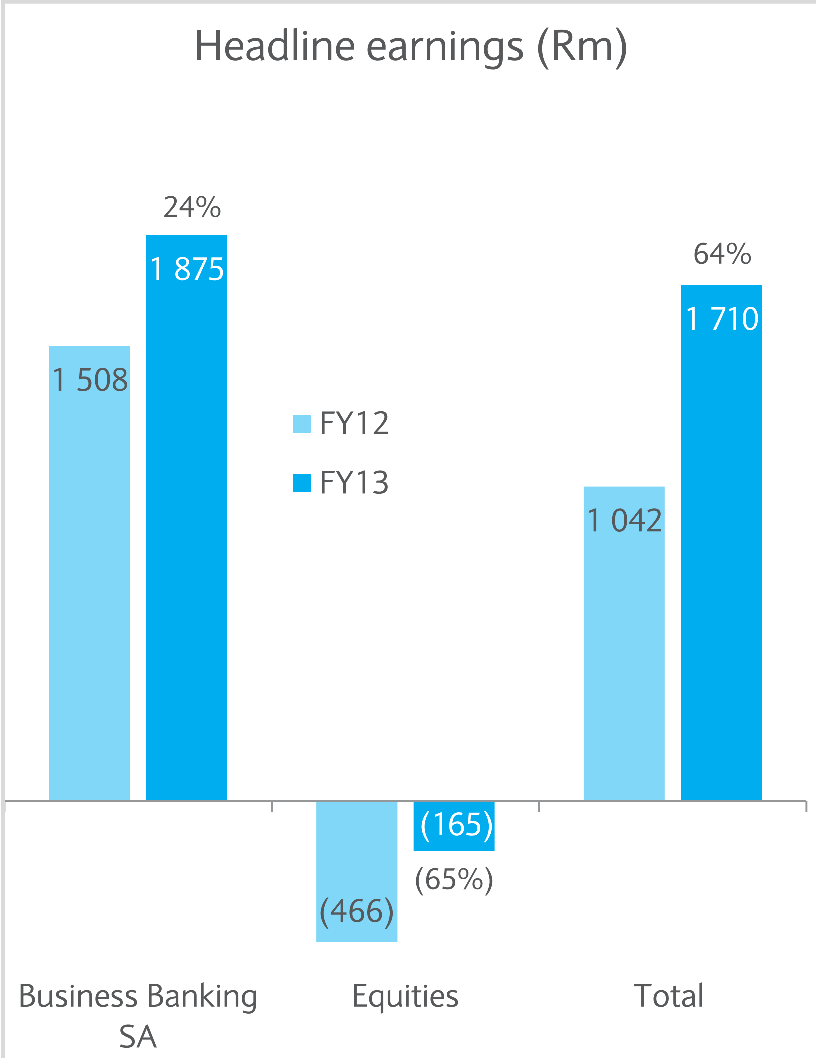
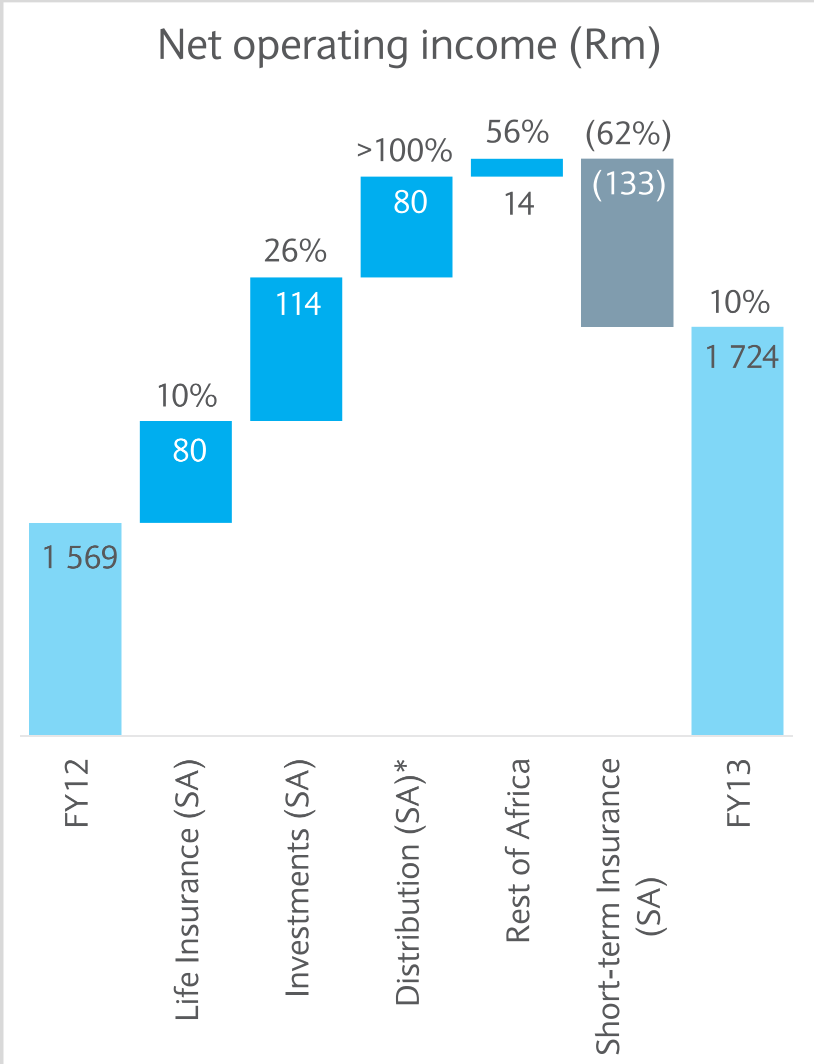
Strong Business Banking SA growth off a low base

- Lower defaults and improved book construct
- Stabilised equity portfolio
- Solid deposit growth
- CPF book declined, despite higher payouts
- Increased electronic banking transactions
- Tight cost control despite investment



Bancassurance maintains high returns

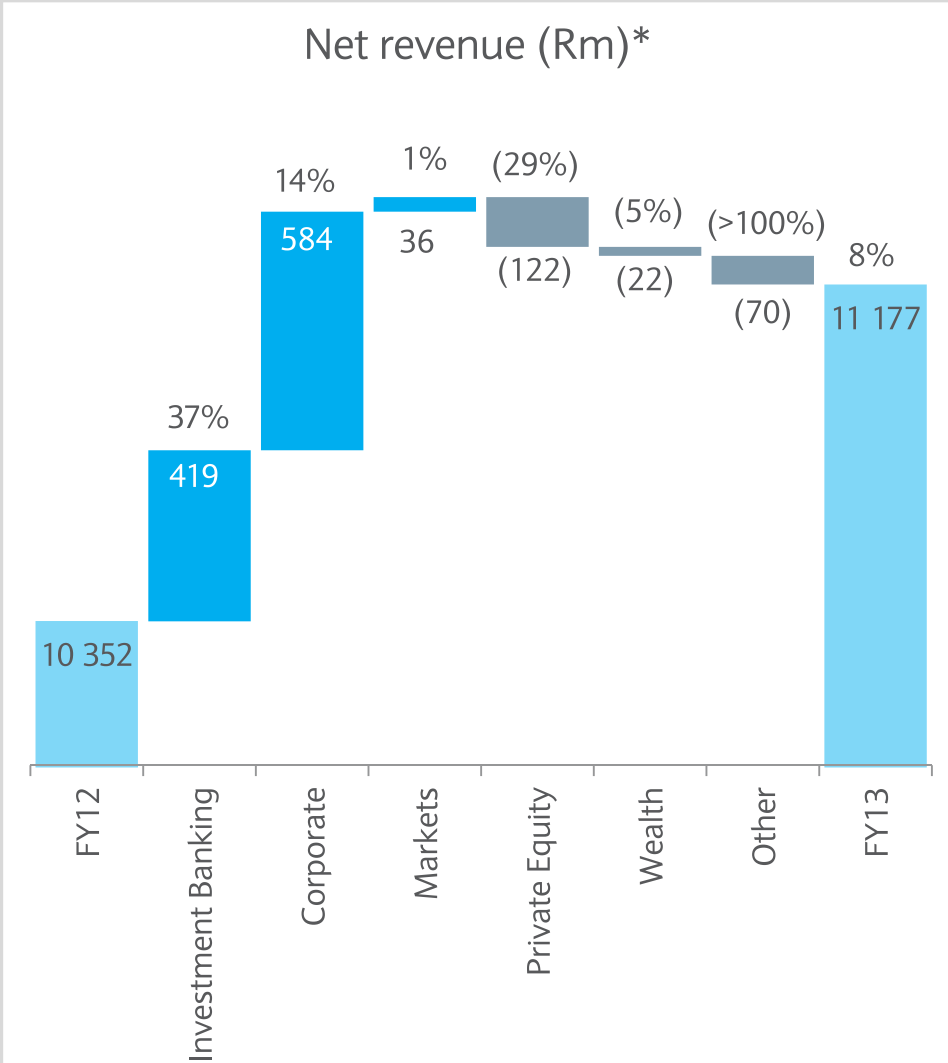
- Investments' margin improved
- Successful African expansion
- Life EV of new business up 18%
- Employee Benefits turnaround
- Claims impacted short-term insurance
- Integrated Wealth & Investment Management
- RoE improved to 29%



Note: * Fiduciary Services, Distribution and Other

Benefit from diversifying CIBW

- Strong Investment Banking revenue growth
- Good traction in Corporate Banking
- Markets similar to high 2012 base
- Exited non-core businesses



Note: * Excludes Custody and Trustee sale

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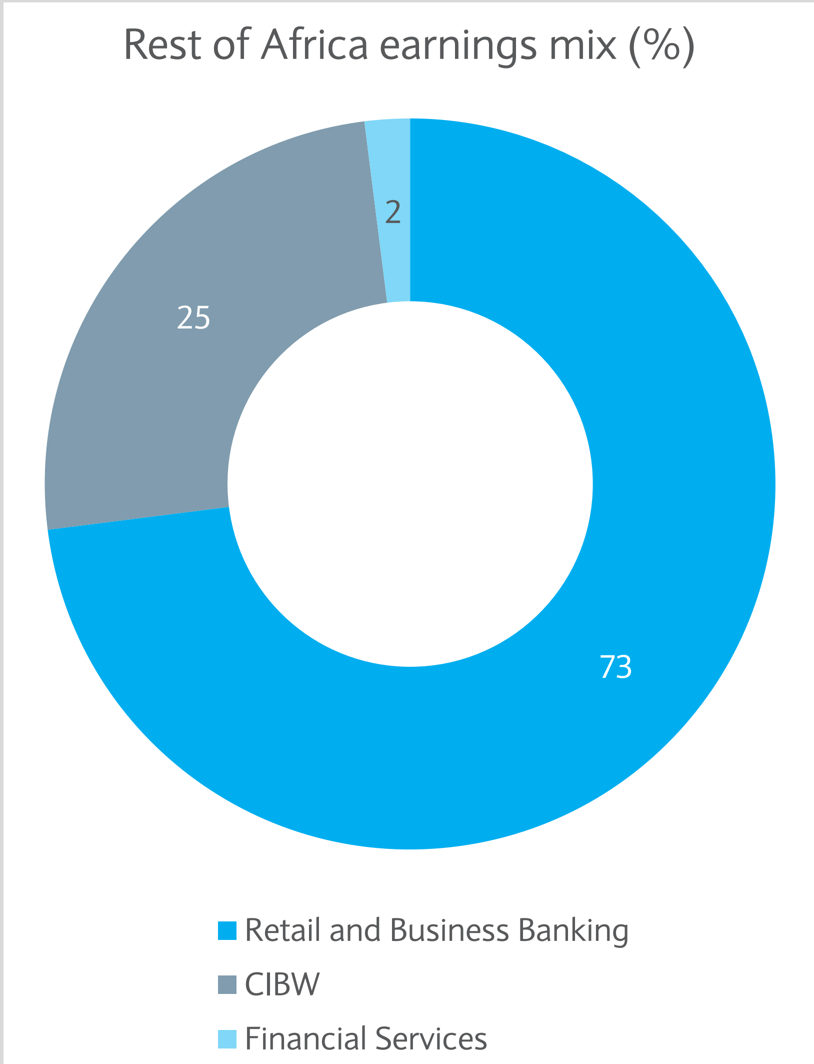
Barclays Africa Limited acquisition earnings accretive

- Headline earnings R1.9bn, up 14%
- Enhanced group CET1 ratio
- Substantial currency impact
- Scope to improve 16% RoE
- Strong retail franchise
- Opportunities in Corporate, Business Banking, Markets and Bancassurance



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Our commitments

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

RoE 18% to 20%

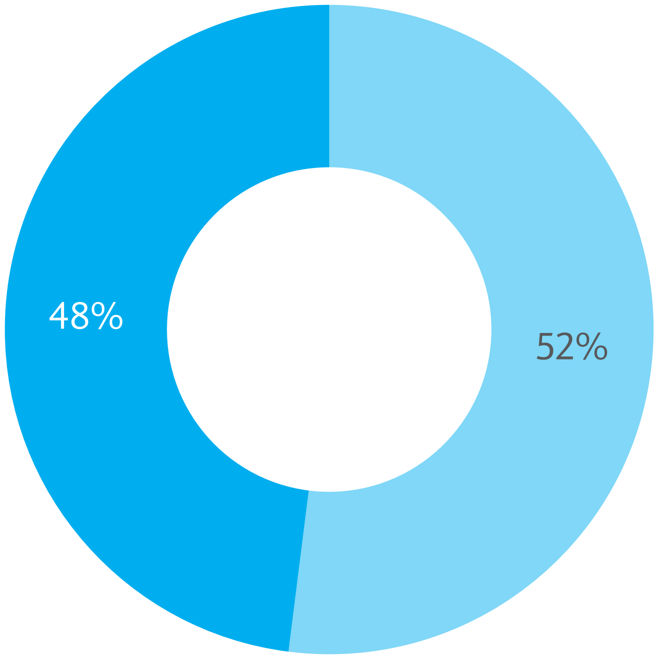
Cost to income ratio in the low 50s

Rest of Africa 20% to 25% of total revenue

Appendix

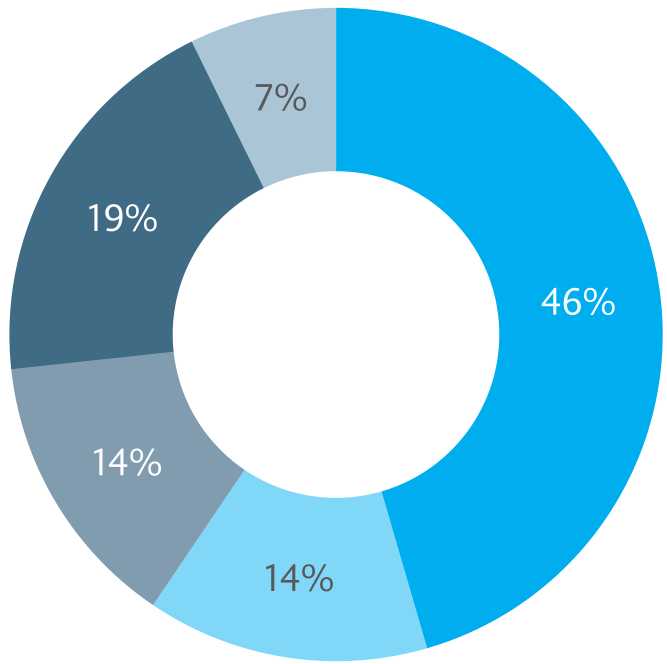
Well diversified revenue…

Net revenue by type (FY13)



Non-interest income
Net-interest income after impairments

Revenue by business (FY13)



Retail Banking SA
Business Banking SA
RBB Rest of Africa
CIBW
Financial Services

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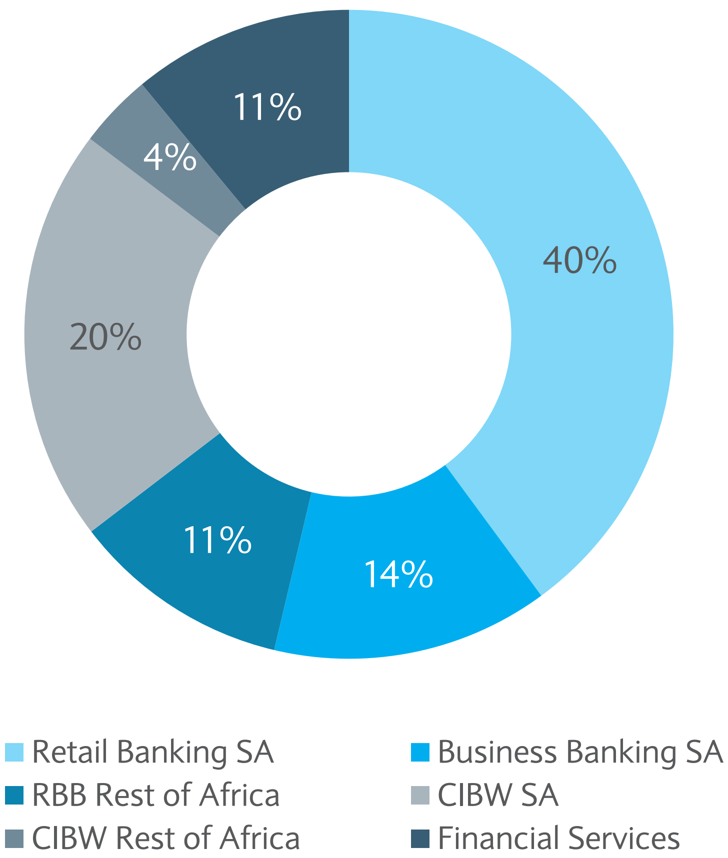
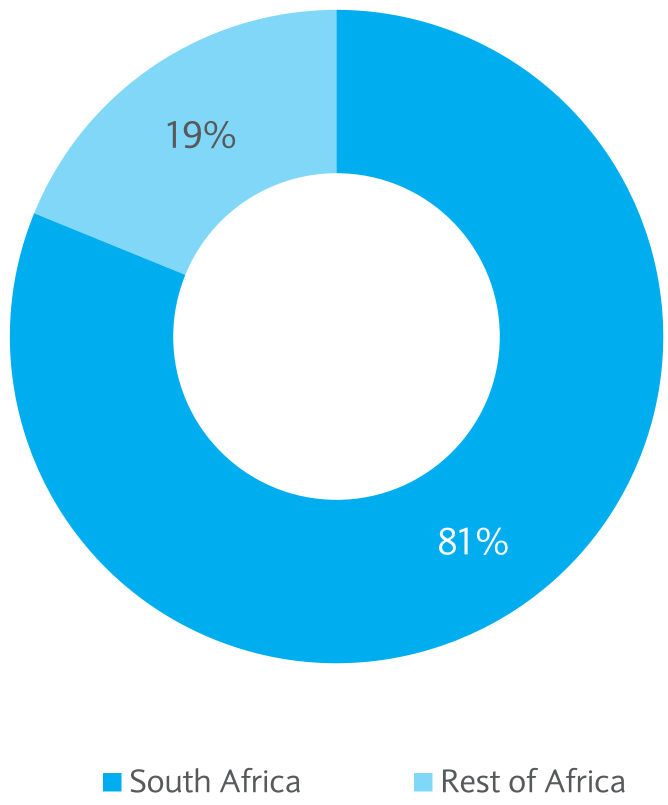
… and earnings

Headline earnings by business * (FY13)

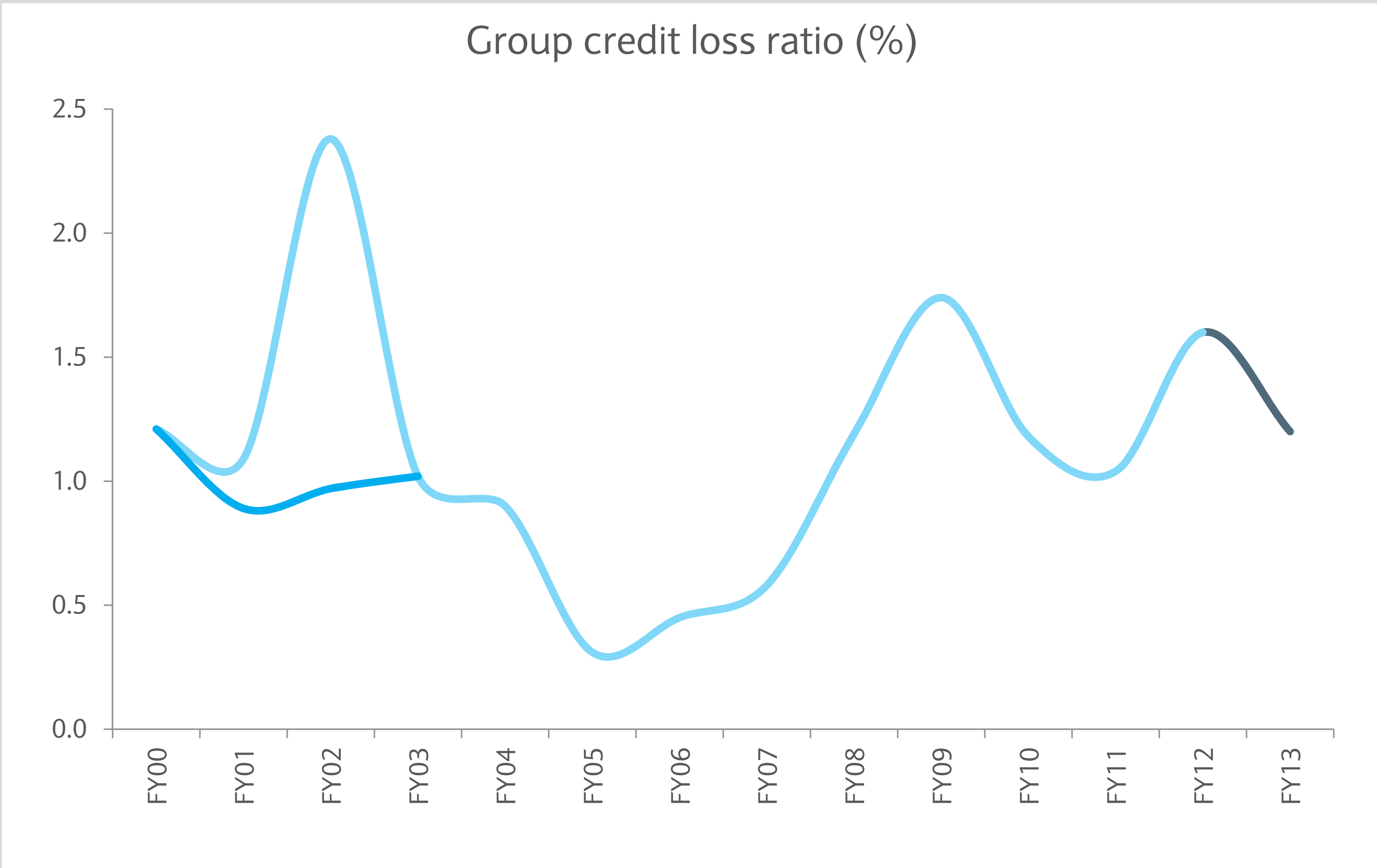


Pre-tax profit by geography (FY13)



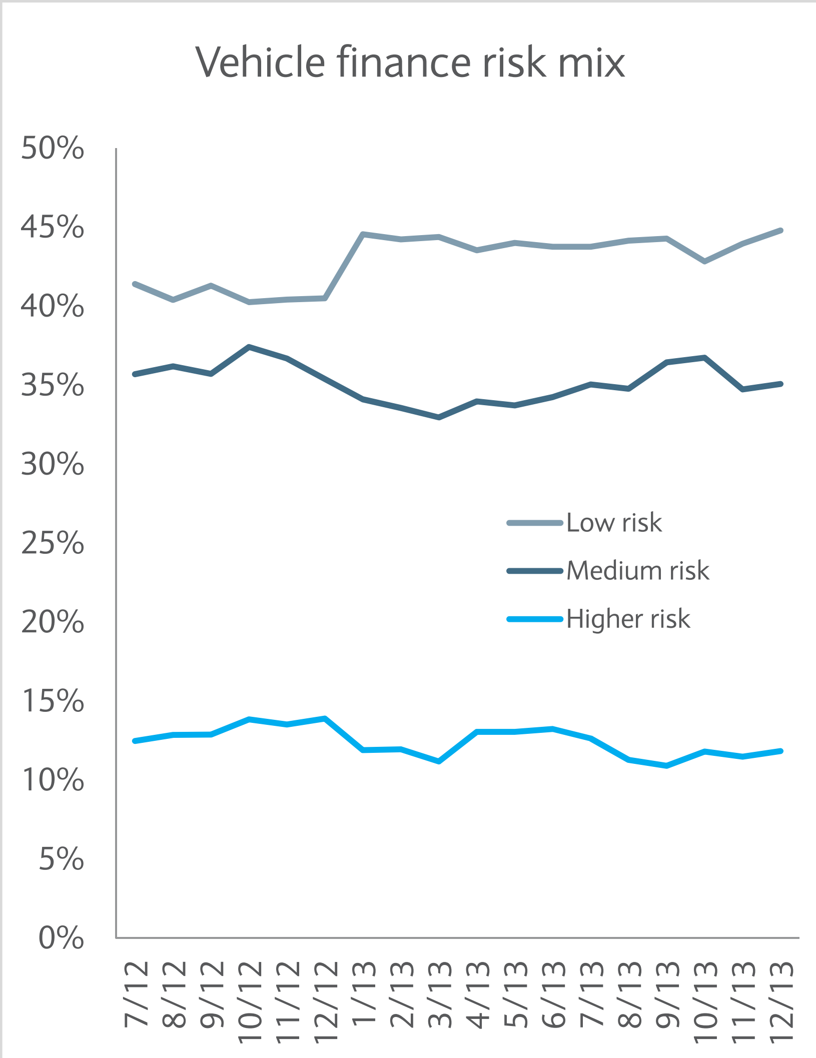
Note: * Excludes head office, inter-segment eliminations and other

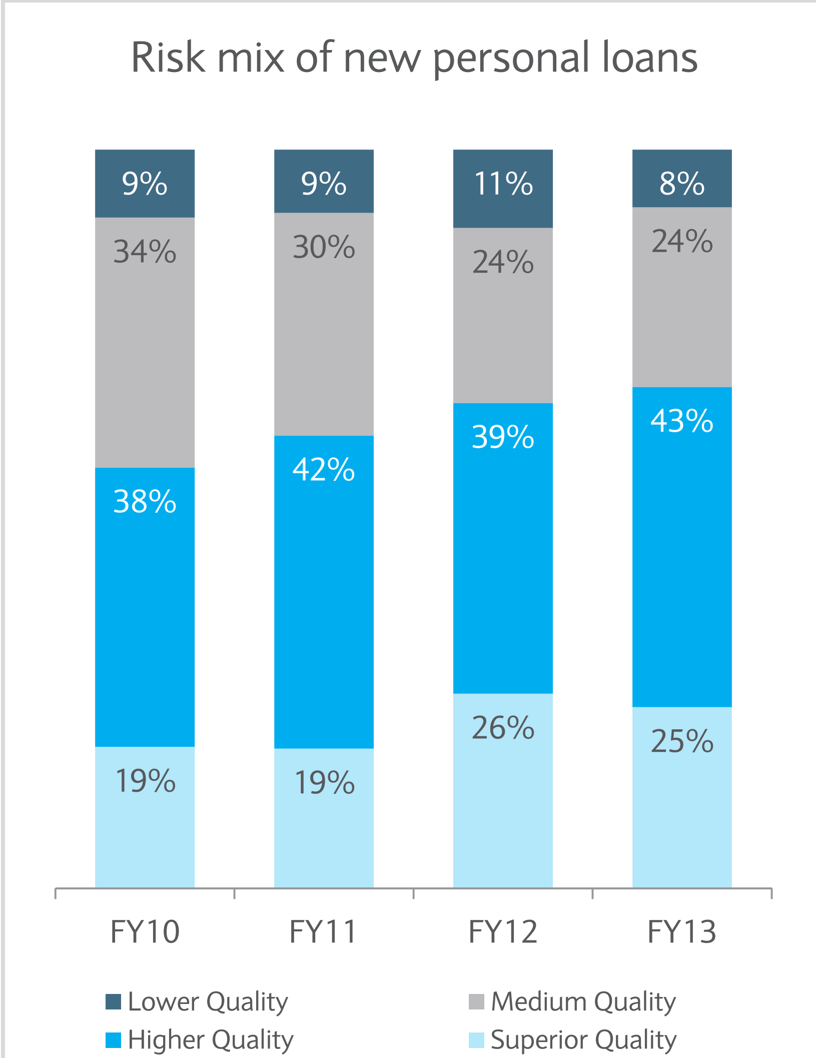
Credit quality normalises



Note: Dark blue line shows ratio excluding UniFer; grey is Barclays Africa Group

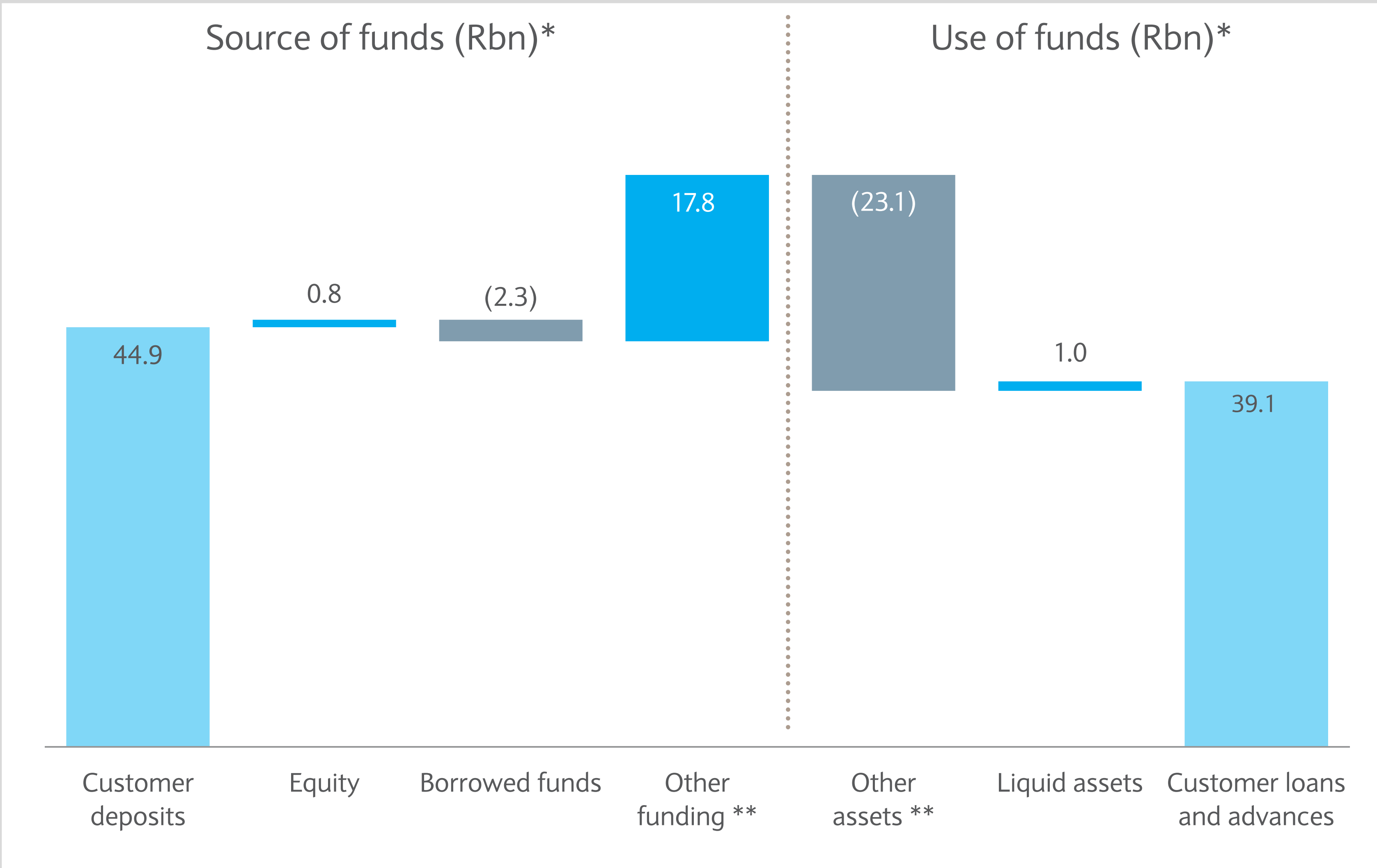
Focus on quality new business





Note: Our business strategy is focused on low risk, high income, existing customers

Deposit growth funds lending to customers



Note: * YoY change; ** largely loans and advances to banks/deposits from banks

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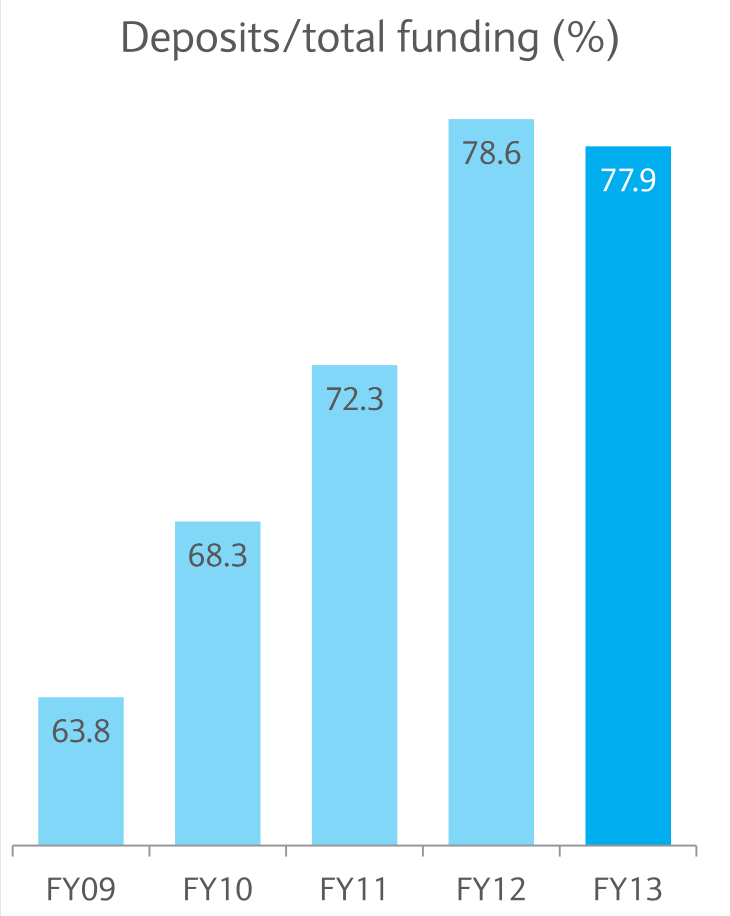
Deposits are over three-quarters of funding

	FY13 Rbn	Change %	Mix %
Cheque accounts	**141**	1	24
Savings and transmission and investment products	**87**	16	15
Fixed deposits	**133**	6	23
Call deposits	**53**	(7)	9
Other	**174**	18	29
Total	**588**	**9**	



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