

**Barclays Africa Group annual results presentation
for the period ended 31 December 2014**

3 March 2015

Maria Ramos, Chief Executive Officer

Good morning everyone and welcome to the Barclays Africa results presentation for 2014.

I stood here a year ago and set out our strategy for Barclays Africa for the following three years. I also outlined our priorities and made four financial commitments, establishing the way in which you will be able to measure our success.

The results we are presenting today show that we have delivered as planned. Our execution is on track. The turnaround of our Retail and Business Bank is gaining momentum in South Africa. Our business shows solid growth outside South Africa.

We have increased profitability and our return on equity is the highest since 2008. This sums up the successful first year of our 3 year journey. Our performance in 2014 is confirmation that the course we have taken is right. We are building the Go-To bank in Africa.

There are going to be three elements to my presentation today.

First, I am going to talk to you about the headway we have made and share with you a few examples of the things we have delivered.

Next, I am going to describe to you what we will be focusing on this year, the second year of our journey, as we accelerate our delivery.

Finally, I will tell you why our focus on the Rest of Africa is even more relevant in today's changed economic climate.

I want to demonstrate to you the strength of our conviction that this is the right strategy. As usual, David will explain to you our financial results in detail. But let me lay out quickly how we have progressed against our financial commitments.

Our RoE has increased to 16.7% and is on an upward trajectory to the 18-20% range we are aiming for:

- We are holding to this commitment as the right one for our Group.
- Our South African operation is already at 18% and we see clear opportunities in the rest of our portfolio to achieve this target.
- As I will explain a little later, we are investing into the Rest of Africa to realize these opportunities.

Of course, in the face of short-term economic headwinds, we are focusing on meeting this commitment in a sustainable manner.

In particular, we will continue to maintain high capital levels in this uncertain environment. The share of our revenue from outside of South Africa is 19%, already within reach of our target of 20% to 25%.

We are currently Top 3 in 2 of our 5 largest markets by revenues and we have seen strong growth in Ghana and Zambia. But, it is clear that we need to do more in the Rest of Africa to become top 3 in all of our 5 largest markets.

Our cost to income ratio has increased to 56.8%. This reflects the investments we made into the business but we remain on target to reach the low 50s by 2016.

The fact is, we have delivered or exceeded on all the guidance we have given to the markets except loan growth, which is slightly below where we expected to be. We are creating sustainable returns for our shareholders, a fact that is also reflected in our share price, which appreciated by almost 50% over the 12 months to last Friday, and the R21 billion of dividends we declared over the past 2 years.

Critical for meeting these commitments is the progress we have made in executing our four strategic priorities.

First, the turnaround in RBB is starting to deliver:

- Headline earnings in South Africa Retail have increased by 7%.
- We are also seeing renewed growth in our customer numbers since September, both at an overall level and, importantly, in the core middle market and the retail affluent segments.

Overall, the number of new customers who opened accounts with Absa increased by 7% over the full year, accelerating to 15% in the second half. 43% of these new customers had at some point in the past closed their account with Absa.

We have won them back! How? With a refreshed value proposition – including a simplified product range, innovative digital products, and by making it easier for our customers to transact with us.

Our aim to improve customer service is the focus of these investments. For example, the Features Store I spoke to you about in July is a great success with 45,000 customers using this new service on average every month to customize their current accounts. Even more exciting is that, on average, we are processing more applications for transactional accounts on Features Store every day than in any single branch in the country.

Supported by our Digital Eagles (a team of relationship managers that help our customers switch to digital offers) more than 1.4m customers are registered for online banking or use our mobile banking app. And we strengthened our front line staff and provincial leadership to drive better customer service.

However, at Barclays, we don't only think in terms of what we do to grow our business, but also how we go about doing it. This includes actively managing our impact on the communities we serve. For example, we developed an innovative approach to extending financial services to village savings groups in Uganda. Together with care and the Grameen Foundation, we are testing mobile applications to help families gain better access to financial services.

As a result, they are better able to increase and manage their incomes. For me, this is an example of how we create shared value for our customers, shareholders and the community.

Looking beyond mere revenue generation is also important in our Business Bank, where headline earnings grew by 34%. We have been adding value with services that go beyond commercial lending and current accounts, building even closer relationships with our customers. One consequence of this is that the quality of our book has improved.

For example, we partnered with the local retailer Massmart to integrate small and medium sized enterprises from predominantly the manufacturing and agricultural sectors into the retailer's supply chain. We are working together with the Climate Policy Initiative and governments like Mozambique. With them, we are developing legislative frameworks to enhance the effectiveness of government support for the agricultural sector.

We also have a responsibility to foster the entrepreneurs of tomorrow. So, our 8 Enterprise Development Centres help new start-ups and develop small businesses across the country, supporting more than 42,000 small and medium sized enterprises last year with workshops and training.

Our Procurement Portal provides R2 billion worth of tender opportunities to more than 30,000 small companies every month. Again, we are creating shared value for our customers, shareholders and the community.

A lot of effort last year went into re-energising RBB in South Africa and our results demonstrate this. While it is still in a turnaround phase, this business is gaining traction and starting to show a good performance. We will continue accelerating the momentum created in South Africa and we will turn to repeating this success outside South Africa given that the performance of RBB in some of our key countries was below our expectation last year.

Our second strategic priority is our Corporate business, where the franchise kept growing across the continent:

We grew our corporate revenues outside of South Africa by 21% and investment bank revenues by 23%. Headline earnings for both businesses increased by 32% and 51% respectively in the Rest of Africa, and 16% for CIB overall. We have now rolled out the systems which allow us to support customers and grow our business like our multi asset electronic trading platform BARX and the online dealing platform Front Arena which are now operational in the large majority of our countries.

We are also deploying our integrated payments platform Barclays.net in Kenya and Uganda - in addition to the successful launch in South Africa.

As I said to you last year, the important dynamic here is that we are able to take the best of Barclays global technology and apply it locally to the advantage of our clients.

Why is this important? Because it reflects the competitive advantage we enjoy in being part of a global group. It means we can serve clients in Africa in a completely different way.

This enables us to create shared value with our corporate banking activities, too. For example, we committed a minimum of US\$500m to a pipeline of proposed clean energy projects that form part of the "Power Africa" initiative. This is aimed at increasing Africa's available power supply by up to 12,500 MWs. This is just one example of our commitment to infrastructure and to the energy sector across Africa.

Our third priority is our Wealth, Investment Management and Insurance business – WIMI – and we're also seeing strong growth in the Rest of Africa from this operation. Revenues have increased by 27% and headline earnings by 36% as our businesses in Mozambique, Botswana and Zambia continue to grow strongly.

Our Kenyan business is ready to be launched pending confirmation of our license. At the same time, we have improved the quality of our business in South Africa.

We have addressed the volatility and low margins in short-term insurance and exited non-core components of our business. We also completed the integration of our Wealth and Investment Management businesses which now have R259 billion of assets under management.

In common with the industry, we had to face the challenge of the African Bank failure last year. We acted quickly in response to the regulatory intervention, supported the resolution and were able to restore our money market fund to roughly its original size with new client inflows.

All of these achievements across our franchise were backed by R3billion of targeted investments into our business:

- Enhancing and stabilizing our IT infrastructure.
- Creating new client experiences, as with our revamped branches in South Africa.
- Launching new technologies and products like our mortgage app, Features Store or Barclays.net.

In short, we are making it easier to bank with us, whether you are a retail customer or a corporate client.

Finally, we continued to improve the diversity of our work force and invest in our people. Our ambition remains to be the destination of choice for the best talent on our continent. Our graduate program, for example, continues to attract fresh talent to the bank. Equally important, we are focused on retaining the best people – and we have invested a total of R1.8 billion into training and development.

We could not have delivered last year's results and made progress against our execution plan without a high quality leadership team that has been consistent, incredibly focused and highly motivated over the last few years. Our strategy, therefore, is working.

However, with revenue growth of 6%, it is clear that we are not yet making the most of our franchise. I still see great upside in extracting more value from our existing portfolio. So let me now speak to you about what we are focusing on this year.

First, we will keep improving our business in South Africa picking up the pace on turning around RBB and driving growth in our Corporate Bank and WIMI across the continent. And we need to build sustainable long-term earnings growth.

As I said at the time of our interim results last year, this needs to remain a focus for us. At the same time, we must now pay even more attention to top line growth outside of South Africa. Revenue growth of 9% is good, but not good enough for the franchise we have in these high growth markets. Of course, the environment will remain challenging and very competitive. But that's why we will need to make additional efforts to become top 3 in all of our 5 largest markets. Additional growth will hinge on successfully turning around our RBB franchise in the rest of the continent. This means applying the learnings from South Africa and rolling out the successful tools we have deployed here.

We have, therefore, earmarked more than R1billion of investment for this.

However, growing in Africa also means following our clients into markets where we can leverage our competitive advantage. Nigeria is an obvious gap that we intend to close. The country is particularly relevant for our regional and global corporate clients. And with our strategy of fully local, fully regional, fully global, we can add value to our clients in Nigeria. That is why we have started the process to apply for the necessary licenses that will allow us to build a domestic presence for our

Corporate and Investment Banking business in Nigeria. This will help us to serve our clients in one of their most important markets.

But the main priority for us is to extract more value from our existing portfolio. Our investment across our continent is a strategic one and we are building the growth potential for our Group in the medium to long-term.

We recognise that there are economic and socio-political headwinds in the short-term, but the fundamentals for long-term growth remain strong. That's why the creation of Barclays Africa Group in 2013 was exactly the right step for us – we are well placed to take advantage of this growth potential.

Growth in Africa is a priority for us, a priority for Barclays, and a priority for me.

Our organisation has never been in a stronger position than it is today. We have a strategy that is working. We have built a solid foundation and our South African business is in a good shape. We are delivering on our financial commitments and our strategic priorities.

But as I have made clear there is still a great deal of potential for us to extract value from the portfolio we have in the Barclays Africa Group.

We remain focused on achieving our commitments:

- To be top 3 in our 5 largest markets.
- To increase the share of our revenues from outside of South Africa to between 20% and 25%.
- To bring down our Cost to income ratio to the low 50s.
- And deliver an RoE of 18% to 20%.

I am excited about the future. Now, let me hand over to David to take you through our detailed financial results.

Thank you

[David Hodnett, Deputy Chief Executive and Financial Director](#)

Thanks Maria.

I certainly share Maria's excitement about our potential and the progress we are making.

Before unpacking our numbers, I will comment on key aspects our performance. We again met market expectations, producing solid 10% growth in headline earnings per share and over 12% adjusting for our 2013 special dividend.

Importantly, we are gaining traction in turning around our core Retail and Business Banking franchise in South Africa, which accounts for 55% of our earnings. Our overall RBB customer base is stabilizing and growing in important segments.

Our rest of Africa operations continue to enhance our earnings and revenue growth, with strong increases from CIB and WIMI, while we continue to invest in RBB Rest of Africa. Although our Edcon portfolio disappointed, it was profitable in the second half, given our efforts to improve its credit quality.

As Maria mentioned, our RoE increased further to 16.7% from 15.5%, with about 80 basis points of this due to higher leverage after our special dividend, and the rest from improving our return on assets.

Our capital position remains strong and our 11.9% core equity tier 1 ratio is still above the 11% top end of our board range. We continue to optimize our risk-weighted assets and remain very cash generative, which allowed us to declare a 13% higher dividend.

Pre-provision profit drove earnings growth

Turning to our income statement, the shape of our P&L was as we guided, with most of the themes unchanged from 2013.

Our pre-provision profits grew 5% to R27.3 billion, and was the largest driver of our earnings growth, contributing more than the combined impact of lower credit impairments and a slightly lower effective tax rate.

Improving our revenue trajectory remains a priority and our net interest income again grew 10%, as our margin widened further and we grew lending in target areas. While our non-interest income growth remained modest at 2%, RBB's transactional revenue improved in South Africa, and there are a number of moving parts in CIB's revenue split, which I will cover later.

Our costs remain well managed, increasing 7%, as we cut in the right areas to maintain our investment.

Our focus on quality loan growth and strengthening our collections in recent years, saw our credit impairments fall 10%, despite further improving our NPL cover and portfolio provisions.

Our direct effective tax rate decreased slightly to 28.3%, which is high relative to peers.

The 37% rise in 'other' was due to substantially higher impairments of intangibles and IT equipment, which is excluded from headline earnings.

Solid loan growth outside of property

The shape of our loan book has changed in recent years, with property-related lending dropping to 41% of the total, from 60% in 2010. Over this period our property loans declined 13%, while acquiring Edcon and Barclays Africa increased our non-property component, which should improve our net interest margin while increasing our credit loss ratio.

Our gross property-related books continued to decline last year. Retail mortgages decreased 2%, as we continued to reduce NPLs and write lower LTV new business than the market. Our new business grew 2%, giving us a 19% share of the flow, which we want to increase to around 25% medium-term.

Commercial property finance fell due to substantial repayments and early settlements, although its front book pricing and credit quality improved.

Our non-property loans grew 11%, which is more comparable to peers.

Vehicle finance grew 9% despite lower new car sales in retail, as we gained market share for the first time since 2008. Our commercial sales grew 17% and used cars increased to 63% of our retail new

business. Our Ford Financial Services joint venture performed very well, with new business growing 17%.

Credit cards rose 10%, largely due to healthy growth in the core portfolio as inflationary limit increases and good performance from co-branded cards, offset a 6% lower Edcon portfolio. We implemented stricter affordability assessments in Personal Loans and continued to focus on lower risk existing customers.

Within 'RBB other', Rest of Africa loans increased 8%, given 14% growth in personal loans, largely in our Prestige and Premier segments. Business Banking South Africa's term loans also grew 8%.

CIB's loans grew strongly again, with Corporate's average loans 31% higher and our Investment Bank's up 17%. Most of this increase was term loans across a broad range of sectors and strong 26% constant currency growth in the Rest of Africa.

Our South African loans grew 4%, in part due to low GDP growth, while rest of Africa increased 16% in constant currency and rose to 11% of our overall book.

Deposits drive wider margin

Turning to our net interest margin, while there are several moving parts, our deposit margin was the main reason it improved by 19 basis points to 4.65%.

Notably better new business pricing in Personal Loans was offset by some pressure in Card and Vehicle Finance. Our higher proportion of Corporate loans had a negative mix effect, despite improved margins in this book.

Wider margins on fixed and call deposits and less reliance on wholesale funding improved our deposit margin, while higher South African interest rates increased our deposit and equity endowment margin.

Structural hedging contributed 20 basis points to our net interest margin, with R1.5 billion released to the income statement, which was 5 basis points less than 2013. Our cash flow hedging reserve decreased to 350 million after tax from 600 million. However, other hedging gains and Treasury activities added 8 basis points.

Although Rest of Africa's 8.1% margin is almost double South Africa's 4.1, declining rates, increased competition and regulatory changes meant it contributed 6 basis points less in 2014.

In other, changing our funding model for foreign currency loans added 3 basis points, with an equal reduction in non-interest income. A lower proportion of statutory liquid assets and repaying subordinated notes added 6 basis points.

Non-interest income growth remains moderate

Our non-interest income growth remained muted and fell to 44% of our total revenue.

Our largest component, RBB, grew 4% with modest 2% growth in South Africa and 14% in the Rest of Africa, mostly due to rand depreciation. Retail Banking South Africa increased 2%, with solid growth in Home Loans and vehicle finance, but lower Personal Loans fees. Our card merchant acquiring volumes grew 18%, although corporate margins continue to decline. Importantly, non-

interest income in our Transactional and Deposits segment grew 2%, with better momentum in the second half, as our customer numbers stabilized.

Excluding Equities, Business Banking South Africa grew 4%, despite lower cheque payment volumes industry-wide. I'll discuss their improving transactional revenue later.

Excluding private equity, CIB's non-interest revenue declined 4%, given subdued Corporate transaction volumes and lower hedging revenue from changing our funding model for foreign currency loans.

Our overall Markets revenue grew 17% after being flat the previous year. It continues to benefit from diversifying, with 24% growth in Equities and Prime Services and 22% higher Rest of Africa revenue. Fixed Income and Credit grew 36%, while Foreign Exchange and Commodities fell 11%, given lower client demand in commodities and margin pressure in FX. Our trading remains predominantly client-driven, as evidenced by our low average DVaR of R22 million.

WIMI's non-interest income increased 2%, with 1% growth in South Africa dampening the 36% rise in the Rest of Africa. Net life premiums in South Africa grew 1%, while short-term insurance increased 6%. Our overall investment returns were lower and there were non-recurring gains in the base.

Revenue from our equities declined materially, given the large reduction in Business Banking's portfolio and negative revaluations and lower realisations in Private Equity. These non-core activities contribute a negligible proportion of our group revenue.

The improvement in our Head Office non-interest income was due to realising a foreign currency gain on a loan, which is excluded from headline earnings.

Credit quality improves further

Our credit loss ratio improved more than expected to 102 basis points from 120 basis points, including a second half charge of 87 basis points. Although our credit loss ratio equals our 15-year historical average excluding UniFer, it was our lowest charge since 2007.

Remember, we calculate our ratio differently from peers, using customer loans and advances only, excluding loans to banks, and including collection costs of R193 million. For comparative purposes, our like for like annual charge was 87 basis points.

Credit loss ratio and NPL cover improved

Our credit impairments fell 10%, as our charge for Home Loans and CPF fell 55% or by R1.2 billion, to outweigh a 19% increase in Card.

Home Loans credit loss ratio halved to 38 basis points, as our legal book dropped 31% to R7 billion, which was why our NPL cover declined to 25.3%.

Vehicle and Asset Finance's credit loss ratio increased to 102 basis points from 90, given higher cover on its performing book. NPLs improved to 1.7% of gross loans, which is low for this book. Its NPL cover declined to 46.1%, due to accelerating write offs of fully provided legal accounts, which reduced the book's average age materially.

Our stock of repossessed vehicles has halved since 2011 to 1 054, while our properties in possession are down 94% to just 132.

As expected, Card's overall credit loss ratio increased to 6.2%, although this is well below the 7.6% in the first half.

We focused on improving the Edcon portfolio's credit quality, which included introducing a new scorecard in April to support lower-risk growth, and implementing a new collections strategy from September. These had a significant positive impact, as the portfolio's credit loss ratio fell to 11.5%, from 15.4 in the first half.

The rest of Card was within expectation, given the operating environment and seasoning of recent growth.

Personal Loans' credit loss ratio increased slightly to 6.5%, reflecting higher NPL cover. Business Banking South Africa's credit impairments fell 36%, although its performing loan cover improved further to 105 basis points.

RBB Rest of Africa's charge decreased 2% in constant currency, despite some non-recurring releases in the base.

Lastly, CIB's credit loss ratio of 16 basis points included a 45% lower charge in the rest of Africa.

We continue to see some stress in construction, smaller transport companies and retail. We expect power supply issues to hit manufacturing the hardest, through lost production hours, while poor rains have also impacted maize farmers. Across Africa the impact of declining commodity prices needs to be watched carefully.

NPLs fell to 4.2% of gross loans, slightly below our 15-year average of 4.6%. Positively, our overall NPL cover increased, particularly in Retail, although part of this was due to mix changes. We also continued to build our balance sheet portfolio provisions, which rose 14% to R4.4 billion. This increased our portfolio provisions to 70 basis points of performing loans, from 52 basis points in 2012. These two metrics were flat half on half.

Our 2014 credit loss ratio was well below our through-the-cycle average of 1.2% and we believe that it has troughed.

Low cost growth without compromising investment

Our operating expenses increased 7%, slowing from 9% growth in the first half. Our South African costs grew 6%, while Rest of Africa rose 10%, reflecting continued investment spend and rand depreciation.

Staff costs rose 10% and accounted for 54% of total expenses. Salaries grew 12% due, to hiring more senior and specialist staff, giving entry level employees higher wage increases, and large inflationary increases in certain countries. Incentives grew 14%, largely due to 68% higher share-based payments given the increase in our share price.

We contained non-staff costs growth to just 4%, with low single digit growth in professional fees, communication and IT costs.

Our underlying property costs fell 1%, excluding a R252 million property dilapidation provision, given our ongoing focus on optimizing this portfolio. Last year we had R1 billion of cost efficiency gains in total, while we spent R1.1 billion on growth initiatives. Our marketing costs grew 19%, reflecting substantially higher product advertising.

Our 'other' costs fell 3% due to a substantial increase in recoveries for services provided to other Barclays PLC entities and 10% lower travel and entertainment costs.

With less of a tailwind from credit impairments in 2015, it is crucial that we achieve positive JAWS this year. With revenue growth likely to be moderate in some areas, we will need to contain costs to improve our cost to income ratio.

Deposit growth funded lending to customers

Turning to our balance sheet.

On the funding side, solid growth in customer deposits was our principal source of growth. The increase in our equity was offset by lower borrowed funds, as we called two subordinated bonds, while deposits from banks fell by R18 billion.

On the asset side, we deployed this additional funding into growing our customer loans in targeted areas, as I detailed earlier.

Solid growth in most deposit franchises

The mix of our funding improved, as customer deposits contributed 80% of the total from 78.

While CIB's deposits only grew 2%, they still account for 40% of our overall funding. Corporate's average deposits in the rest of Africa grew 30% and comfortably exceed its loans.

Retail Banking South Africa maintained its leading market share, increasing deposits 11%, while Business Banking South Africa's deposits grew 10%, given 48% higher savings and transmission deposits.

Capital levels remain strong

Our group risk-weighted assets grew 10%, largely due to growth in loans and advances, as credit risk RWAs increased 11%. RWA growth reduced our core equity tier 1 ratio by 1.8%.

However, our continued RWA optimisation efforts increased our Core Equity Tier 1 ratio by 0.6%, largely by enhancing credit risk data and reducing Business Banking's non-core equities portfolio by 46%.

We remain very capital generative, as earnings increased our CET1 ratio by 2.2%.

After the R7.4 billion in ordinary dividends we paid last year, our CET1 ended at 11.9%, which remains comfortably above regulatory requirements and our board target range of 9.5 to 11.0%.

We expect to remain above our target range, given changing regulations and uncertain economic conditions. We plan to deploy our surplus capital into growth opportunities, such as CIB and Business Banking outside South Africa and Corporate locally.

Declaring a 13% higher dividend – a 60% payout ratio – was well considered, based on our strong capital position, internal capital generation, strategy and growth plans.

As part of our liquidity and capital optimization we established a debt programme at Barclays Africa Group Limited level, from which we have issued 3.0 billion rand of subordinated debt.

Highest returns in 6 years

Our 2013 special dividend of R6 billion increased our leverage slightly to 12.5 times, which remains relatively low.

However, our return on assets added another 47 basis points and was only slightly below our 2008 high of 1.38%, when our RoE was 23%, given considerably higher leverage.

As Maria highlighted, the RoE of our South African business is already 18% and we see a clear path to increasing Rest of Africa's 13% return.

Well diversified earnings

Moving onto our divisional performances, RBB's 9% higher earnings included strong 34% growth from Business Banking South Africa that offset lower RBB Rest of Africa earnings. RBB benefited from lower credit impairments, given its low increase in pre-provision profit. It accounts for 61% of our earnings.

With strong pre-provision profit growth, CIB grew 16% to contribute 29% of our business unit earnings, and WIMI now makes up 10% of our total earnings, after falling 3%.

Retail Banking SA turnaround continues...

Retail Banking South Africa is our largest business, contributing 41% of our earnings. Its growth was driven predominantly by Home Loans' continued rebound, with earnings increasing 78% due to significantly lower credit impairments and well contained costs.

Vehicle and Asset Finance's 3% growth reflected 9% revenue growth dampened by 27% higher credit impairments.

Our Card earnings fell 17%, largely due to 19% higher credit costs and the small loss in our Edcon portfolio.

Personal Loans earnings increased 21% given cost containment and improved pricing, while Transactional and Deposits earnings were flat due to modest non-interest income growth.

Importantly, momentum in our transactional revenue improved with 4% growth in the second half, as our customer base stabilised. This growth was better than expected and was despite removing internet banking fees, which reduced our 2014 revenue by R135 million.

Our increased marketing spend saw Absa being voted the most valuable bank brand in South Africa. And we continue to invest in our multi-channel programme to improve customer experience through digitization.

Our loan growth in targeted areas like vehicle finance and Card was good, while our deposit growth improved to 11%.

Although Edcon's earnings declined significantly, it was profitable in the second half, given substantial efforts to improve its credit quality, seasonal trends and a wider margin from higher interest rates.

...with customer trends turning

Our retail customer numbers are stabilizing. In fact, excluding Sekulula account closures, our total customers increased slightly in the second half. The decline in our mass base continues to slow, while our middle market and affluent segments grew in 2014.

Our revenue and profit per customer increased, as our customer mix improved and we closed dormant accounts. New to bank customers grew 7%, including a 122% rise in affluent, 4% in the middle market and mass customers by 6%.

Positively, our Rewards customers continue to grow strongly, rising 27% to over 1.8 million, while internet banking users in South Africa increased 17% to 1.4 million.

Strong Business Banking improvement ...

Our focus in 2014 was to stabilise Business Banking South Africa and gear it up for growth. It performed better than expected, with 45% earnings growth in the second half, excluding Equities.

Its credit loss ratio improved to 87 basis points, given 19% lower NPLs and a substantial fall in its CPF charge. Positively, we increased portfolio provisions materially.

Cost growth was well contained to 2%, despite investing in front line staff and systems, as we extracted internal cost efficiencies from support areas.

The non-core equity portfolio decreased 46% to R2.2 billion, given good progress on disposals. Its improved performance reflects profits from disposals, lower funding costs, and increased returns on its rental portfolio.

Deposits grew 10% due to 48% higher savings and transmission balances and 14% growth in fixed deposits. It remains a substantial net contributor to group funding and launching Liquidity Plus should help continue its deposit growth.

The significant fall in Business Banking's credit loss ratio has improved its returns materially in the past two years to an attractive 27% return on regulatory capital.

... as momentum grows in transactional franchise

Enhanced digital functionality and cash centres saw customers migrate to cheaper channels and industry cheque volumes continue to decline, both of which dampened our revenue growth.

However, reducing revenue leakage and growing electronic banking, increased our second half transactional banking income 9% year on year.

We launched a new electronic sales platform and piloted Barclays.net with some Commercial customers, which should improve Business Banking's client proposition and revenue trajectory.

Our front line staff and provincial leadership were also strengthened to improve our customer interactions.

Customer attrition slowed to 2%, with the larger decline among smaller Enterprise customers due to business closures and closing dormant accounts. Our cheque accounts, which are a key transactional indicator, and our number of customer groups were flat.

Strong performance from CIB ...

CIB's headline earnings grew 16%, or 22% excluding Private Equity, on the back of 10% revenue growth. Corporate's earnings increased 24% and the Investment Bank's 11%.

Revenue growth was predominantly due to strong balance sheet growth and a solid trading performance.

Total operating costs increased 7% with South Africa's 'business as usual' spend kept below inflation, as we extracted efficiencies from the cost base to fund investment in growth areas.

Rest of Africa was fully integrated into CIB, allowing us to leverage our local, regional and global capabilities. We have focused regional teams on the ground and a single Pan African management structure.

Achieving positive Jaws improved CIB's cost to income ratio to 53% and its return on regulatory capital increased to 19.6%.

... benefitting from client-centered approach

All CIB's core businesses produced double-digit net revenue growth.

Markets increased 17%, despite margin pressure in Foreign Exchange, as it continues to diversify its activities.

Investment Banking's net revenue rose 11%, largely due to strong balance sheet growth in the fourth quarter of 2013, and winning mandates in Resource and Project Finance and Equity Capital Markets.

Corporate's net revenue increased 12% on strong balance sheet growth, particularly in the rest of Africa. CIB Rest of Africa is fully integrated and its earnings increased 38% to account for 30% of the total. South Africa's headline earnings rose 9%.

CIB has changed its client approach, consolidating client facing teams and eliminating duplication to provide a seamless client experience and clear product offering based on client needs.

As Maria mentioned, CIB continues to roll out systems across the continent, which should generate future revenue growth.

Bancassurance investing for sustainable growth ...

In 2014, WIMI focused on positioning itself for sustainability and growth, and we implemented a number of structural business changes to 'future proof' the business.

These changes impacted its results. In Life insurance we took steps to transform our credit life by improving transparency, choice and benefits for customers. Therefore, while the value of new business increased 3% in South Africa, headline earnings fell 9%.

We also invested heavily in changing Distribution to prepare for expected regulatory changes. These included establishing an advisor academy, training additional advisors and revising our remuneration structures. We believe the 2% decline in our gross commission income was a satisfactory result considering the turbulent environment.

We integrated our Wealth and Investment business, including consolidating our Exchange Traded Fund capabilities.

Despite 3% lower earnings, WIMI remains an attractive return and cash generating business, with a 23% RoE and having paid R2.6 billion of dividends in the past 2 years.

Our Short-term Insurance earnings grew 32%, reflecting improved South African margins of 2.8%, although this is still below our target of 5% to 7%. A number of events impacted our margin, including an earthquake in August. We discontinued underwriting crop insurance and are looking at our Commercial and Industrial business, where margins are below target.

Our Africa expansion progressed well, with 27% higher gross income and strong earnings growth. We achieved an attractive 13% short-term insurance margin in the rest of Africa last year.

... growing new business and sales

Improved collaboration with RBB saw our embedded value of new business via branches increase 21%. However, it remains a small proportion of the total, and we see scope to increase this significantly.

Rest of Africa has increased to 14% of our embedded value of new business, given a compound annual growth rate of 86% since 2012.

Our total sales volumes in South Africa grew 6% to over 1 million last year, after strong growth in 2013.

Rest of Africa enhances group growth

Buying Barclays Africa Limited changed our profile significantly. It was a crucial part of accelerating our strategy and it improves our medium-term growth prospects.

After the first full year of running these operations I want to reflect on this acquisition. It was clear that Barclays Africa Limited's topline growth had been muted for a number of years before the deal and we needed to invest heavily to improve this, as well as expand CIB's offering and roll out WIMI on the back of our franchise.

In 2013 constant currency revenue grew 4%, which improved to 6% last year with 10% headline earnings growth. The acquisition remained earnings accretive.

RBB's headline earnings fell 19% on 4% revenue growth, given noticeable margin compression and non-recurring gains in the base. Lower interest rates in several countries and regulatory pressures were factors. Higher reserve ratios hurt our margin in some countries, while fee increases were not allowed in others. We need to improve the momentum in RBB, like we have started to do in South

Africa. Operationally there were several positive developments, as we grew both Premier customer and retail loan sales 17%, card acquiring 20% and retail and current account sales 19%.

It is clear that we need to continue investing in the business. As part of the deal, Barclays PLC agreed to spend 20 to 30 million pounds a year on IT for five years, a substantial benefit that is not immediately evident in our income statement.

While initially we spent this largely on maintenance and infrastructure, our focus has turned to strategic projects, including branches and digital channels. We rolled out paperless branches and intelligent ATMs to four large markets and internet banking is available in all our countries. As a result, internet banking customers increased 99%. We aim to use digital channels to reduce the cost base in RBB's traditional branches, while enhancing customer experience. For example, our cellphone banking customers grew 47%. We also hired key resources and increased our marketing profile.

CIB and WIMI are performing well. CIB's headline earnings rose 35% on the back of strong 21% revenue growth and WIMI's net insurance premium income grew 25% to 617 million rand. We continue to look at expansion opportunities for WIMI in East and West Africa.

Remember, we manage our operations outside South Africa as one business. Our overall rest of Africa growth was better, with 14% higher headline earnings, given smaller losses in Mozambique, solid growth from NBC in Tanzania and WIMI's strong growth. Rest of Africa's overall contribution to our earnings improved to 15%.

While our 14% RoE is not good enough, we see a clear path to improving it. We aim to reduce RBB's high 70% cost to income ratio and improve returns at our loss making business in Mozambique. We can also reduce our high effective tax rate over time. We estimate there is R2 billion of surplus capital in these operations, and we have a clear execution schedule in place to improve our capital mix. So we are confident that we can improve our returns.

Before Maria joins me on stage to take questions, I want to give our expectations for 2015.

We expect to make further progress towards our medium-term financial targets.

With South African interest rates likely to remain low for longer, we do not see further improvement in our net interest margin in 2015, although our loan growth should improve. Achieving positive JAWS through a focus on revenue growth and continued cost management is important, because our credit loss ratio has probably troughed.

We expect our RoE to increase further, but will not take short term actions this year just to achieve our 18% target.

Ends.