Barclays Africa Group Limited

Audited summary consolidated financial results
for the reporting period ended 31 December 2015

Contents

Barclays Africa Group Limited

Authorised financial services and registered credit provider (NCRCP7)

Registration number: 1986/003934/06

Incorporated in the Republic of South Africa

JSE share code: BGA

ISIN: ZAE000174124

(Barclays Africa Group, BAGL or the Group)

Audited summary consolidated financial results for the reporting period ended 31 December 2015.

The annual consolidated and separate financial statements are available upon request from Barclays Africa Group Limited Company Secretariat.

Profit and dividend announcement

for the reporting period ended 31 December

Salient features

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

Overview of results

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

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

Retail and Business Banking ("RBB") headline earnings increased 14% to R9,7bn, as revenue grew 6% and costs rose 4%, with Home Loans and Card earnings growing 15% and 25% respectively. Wealth, Investment Management and Insurance ("WIMI") headline earnings increased 11% to R1,5bn, with 14% growth in Life Insurance, while Corporate Investment Bank ("CIB") grew 6% to R3,9bn, including 16% higher Corporate earnings.

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

Operating environment

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

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

Group performance

Statement of financial position

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

Loans and advances to customers

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

Group performance *(continued)*

Statement of financial position *(continued)*

Funding

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

Net asset value

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

Capital to risk-weighted assets

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

Statement of comprehensive income

Net interest income

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

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

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

Non-interest income

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

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

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

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

Group performance *(continued)*

Statement of comprehensive income *(continued)*

Impairment losses on loans and advances

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

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

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

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

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

Operating expenses

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

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

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

Taxation

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

Segment performance

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

Retail Banking South Africa

Headline earnings grew 16% to R6 628m, driven by 10% higher pre-provision profits and 2% lower credit impairments. Transactional and Deposits earnings grew 9% to R2 672m, given 14% higher net interest income on 11% deposit growth. Home Loans' earnings rose 15% to R1 813m, due to 9% lower costs and a 20% reduction in credit impairments. Card earnings increased 25% to R1 678m, as 6% revenue growth exceeded 1% lower costs.

Segment performance *(continued)*

Retail Banking South Africa *(continued)*

and its credit loss ratio improved to 6,07%. The Edcon portfolio generated earnings of R123m, from its 2014 loss of R9m, due to far lower credit impairments. VAF's earnings declined 3% to R999m, given negative operating Jaws and 6% higher credit impairments. Personal Loans earnings grew 211% to R361m, reflecting 10% revenue growth, while costs and credit impairments fell 10% and 6% respectively. Losses in the 'Other' segment grew 13% to R895m, due to increased spending on strategic initiatives. Retail Banking South Africa accounted for 44% of total earnings, excluding the Group centre.

Business Banking South Africa

Headline earnings increased 5% to R2 175m, reflecting 4% growth in its core franchise and a 17% smaller loss in the non-core equity portfolio. Pre-provision profits grew 3% with 3% revenue growth slightly below 4% higher costs, while its credit loss ratio remained flat at 0,87%. Its Return on Average Regulatory Capital ("RoRC") improved to 29,5% (2014: 28,3%) excluding equities. Business Banking South Africa generated 14% of overall earnings excluding the Group centre.

Retail and Business Banking Rest of Africa

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

Corporate and Investment Bank

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

Wealth, Investment Management and Insurance

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

Prospects

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

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

Basis of presentation

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

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting ("IAS 34").

The information disclosed in the SENS is derived from the information contained in the audited annual consolidated financial statements and does not contain full or complete disclosure details. Any investment decisions by shareholders should be based on consideration of the audited annual consolidated financial statements, which is available on request. The presentation and disclosure comply with International Accounting Standards IAS 34.

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

Accounting policies

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

- Business portfolio changes between operating segments; and
- Reclassification changes.

Auditors' report

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

These summary consolidated financial statements for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers Inc. and Ernst and Young Inc., who expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

Events after the reporting period

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

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

On behalf of the Board

W E Lucas-Bull
Group Chairman

M Ramos
Chief Executive Officer

Johannesburg
29 February 2016

Declaration of final ordinary dividend number 59

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

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

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

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

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

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

On behalf of the Board

N R Drutman
Group Company Secretary

Johannesburg
1 March 2016

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

Summary consolidated salient features

for the reporting period ended 31 December

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

Notes

(1) After allowing for **R321m** (31 December 2014: R305m) profit attributable to preference equity holders.

(2) These ratios are unaudited.

Summary consolidated statement of financial position
as at 31 December

	Note	2015 Rm	2014[1] Rm	2013[1] Rm
Assets				
Cash, cash balances and balances with central banks		**45 904**	39 103	36 098
Investment securities		**100 965**	97 118	93 036
Loans and advances to banks		**85 951**	72 225	80 622
Trading portfolio assets		**137 163**	90 498	88 761
Hedging portfolio assets		**2 232**	2 350	3 357
Other assets		**25 846**	15 514	15 829
Current tax assets		**833**	381	529
Non-current assets held for sale	1	**1 700**	972	4 814
Loans and advances to customers		**703 359**	636 326	606 223
Reinsurance assets		**581**	731	870
Investments linked to investment contracts		**19 517**	19 317	16 134
Investments in associates and joint ventures		**1 000**	845	694
Investment properties		**1 264**	727	1 089
Property and equipment		**13 252**	11 177	10 679
Goodwill and intangible assets		**3 772**	3 219	3 141
Deferred tax assets		**1 265**	911	987
Total assets		**1 144 604**	991 414	962 863
Liabilities				
Deposits from banks		**62 980**	52 977	70 791
Trading portfolio liabilities		**90 407**	49 772	52 128
Hedging portfolio liabilities		**4 531**	2 577	2 391
Other liabilities		**24 982**	21 079	19 775
Provisions		**3 236**	2 943	2 460
Current tax liabilities		**242**	54	173
Non-current liabilities held for sale	1	**233**	372	1 651
Deposits due to customers		**688 419**	624 886	588 897
Debt securities in issue		**128 683**	106 098	97 829
Liabilities under investment contracts		**24 209**	23 299	19 773
Policyholder liabilities under insurance contracts		**4 340**	3 871	3 958
Borrowed funds	2	**13 151**	11 208	16 525
Deferred tax liabilities		**544**	1 333	1 311
Total liabilities		**1 045 957**	900 469	877 662
Equity				
Capital and reserves				
Attributable to ordinary equity holders:				
Share capital		**1 691**	1 694	1 695
Share premium		**4 250**	4 548	4 474
Retained earnings		**75 785**	70 237	64 701
Other reserves		**7 566**	6 211	6 447
		89 292	82 690	77 317
Non-controlling interest – ordinary shares		**4 711**	3 611	3 240
Non-controlling interest – preference shares		**4 644**	4 644	4 644
Total equity		**98 647**	90 945	85 201
Total liabilities and equity		**1 144 604**	991 414	962 863

Note
[1] These numbers have been restated, refer to note 14 for reporting changes.

Summary consolidated statement of comprehensive income
for the reporting period ended 31 December

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

Summary consolidated statement of comprehensive income

for the reporting period ended 31 December

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

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Summary consolidated statement of changes in equity

for the reporting period ended 31 December

	Number of ordinary shares '000	Share capital Rm	Share premium[1] Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Available-for-sale reserve Rm
Balance at the beginning of the reporting period	846 870	1 694	4 548	70 237	6 211	597	912
Total comprehensive income	—	—	—	14 228	421	—	(352)
Profit for the period	—	—	—	14 331	—	—	—
Other comprehensive income	—	—	—	(103)	421	—	(352)
Dividends paid	—	—	—	(8 248)	—	—	—
Purchase of Group shares in respect of equity-settled share-based payment arrangements	—	—	(12)	3	—	—	—
Elimination of movement in treasury shares held by Group entities	(1 145)	(3)	(289)	—	—	—	—
Movement in share-based payment reserve	—	—	3	—	673	—	—
Transfer from share-based payment reserve	—	—	3	—	(3)	—	—
Value of employee services	—	—	—	—	283	—	—
Conversion from cash-settled to equity-settled schemes	—	—	—	—	430	—	—
Deferred tax	—	—	—	—	(37)	—	—
Movement in general credit risk reserve	—	—	—	(130)	130	130	—
Movement in foreign insurance subsidiary regulatory reserve	—	—	—	(2)	2	—	—
Share of post-tax results of associates and joint ventures	—	—	—	(129)	129	—	—
Acquisition of subsidiaries[2]	—	—	—	—	—	—	—
Disposal of interest in subsidiary[3]	—	—	—	(174)	—	—	—
Balance at the end of the reporting period	845 725	1 691	4 250	75 785	7 566	727	560

Notes

All movements are reflected net of taxation.

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

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

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

Summary consolidated statement of changes in equity
for the reporting period ended 31 December

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

Summary consolidated statement of changes in equity

for the reporting period ended 31 December

	Number of ordinary shares '000	Share capital Rm	Share premium Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Available-for-sale reserve Rm
Balance at the beginning of the reporting period	847 313	1 695	4 474	64 701	6 447	440	979
Total comprehensive income	—	—	—	13 232	(550)	—	(67)
Profit for the period	—	—	—	13 216	—	—	—
Other comprehensive income	—	—	—	16	(550)	—	(67)
Dividends paid	—	—	—	(7 365)	—	—	—
Purchase of Group shares in respect of equity-settled share-based payment arrangements	—	—	(46)	—	—	—	—
Elimination of movement in treasury shares held by Group entities	(443)	(1)	97	—	—	—	—
Movement in share-based payment reserve	—	—	23	—	11	—	—
Transfer from share-based payment reserve	—	—	23	—	(23)	—	—
Value of employee services	—	—	—	—	34	—	—
Movement in general credit risk reserve	—	—	—	(157)	157	157	—
Movement in foreign insurance subsidiary regulatory reserve	—	—	—	(4)	4	—	—
Share of post-tax results of associates and joint ventures	—	—	—	(142)	142	—	—
Disposal of a non-core subsidiary	—	—	—	—	—	—	—
Transfer to non-controlling interest	—	—	—	(28)	—	—	—
Balance at the end of the reporting period	846 870	1 694	4 548	70 237	6 211	597	912

Note

All movements are reflected net of taxation.

Summary consolidated statement of changes in equity

for the reporting period ended 31 December

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

Summary consolidated statement of cash flows

for the reporting period ended 31 December

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

Notes to the consolidated statement of cash flows

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

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

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

	2015 Rm	2014[1] Rm
Cash, cash balances and balances with central banks[2]	12 899	12 903
Loans and advances to banks[3]	8 467	3 723
	21 366	16 626

Notes

(1) These numbers have been restated, refer to note 14 for reporting changes.
(2) Includes coins and bank notes.
(3) Includes call advances, which are used as working capital by the Group.

Summary notes to the consolidated financial results
for the reporting period ended 31 December

1. Non-current assets and non-current liabilities held for sale

The following movements in non-current assets held for sale were effected during the current financial reporting period:

- CIB transferred investment securities with a carrying value of R 1 282m.
- Disposals of non-current assets and liabilities held for sale occurred in RBB (including Commercial Property Finance ("CPF")). The profit on disposal of the non-current assets held for sale has been recognised in other operating income in the statement of comprehensive income.
- Other assets and liabilities disclosed remain classified as non-current assets held for sale as the Group has assessed that the sales remain highly probable.

The following movements in non-current assets held for sale were effected during the previous financial reporting period:

- RBB transferred investment securities with a carrying value of R29m.
- The Head Office and other operations segment transferred property and equipment with a carrying value of R3m.
- RBB transferred investment properties with a carrying value of R376m.
- The CPF Equity division in RBB disposed of a non-core subsidiary with investment property with a carrying value of R1 315m. Other disposals of non-current assets and liabilities held for sale occurred in the RBB, WIMI and Head Office and other operations segments.
- The General Fund was amalgamated with the Absa Select Equity Fund and WIMI, and therefore ceased to exist as an independent fund. This resulted in the derecognition of the related financial assets of R2 324m and liabilities of R973m of the Absa General Fund, previously classified as non- current assets and liabilities held for sale in the 2013 financial reporting period.

2. Borrowed funds

During the reporting period the significant movements in borrowed funds were as follows: **R4 870m** (2014: R531m) of subordinated notes were issued and **R2 455m** (2014: R4 966m) were redeemed.

3. Other impairments

	2015 Rm	2014 Rm
Financial instruments	**10**	20
Other	**74**	409
Goodwill	**1**	1
Intangible assets	**72**	146
Investments in associates and joint ventures	**—**	2
Property and equipment	**1**	260
	84	429

4. Headline earnings

	2015 Gross Rm	**2015 Net[(1)] Rm**	2014 Gross Rm	2014 Net[(1)] Rm
Headline earnings is determined as follows:				
Profit attributable to ordinary equity holders		**14 331**		13 216
Total headline earnings adjustment:		**(44)**		(184)
IFRS 3 – Goodwill impairment	**1**	**1**	1	1
IFRS 5 – Gains on disposal of non-current assets held for sale	**(1)**	**(1)**	(97)	(86)
IAS 16 – Profit on disposal of property and equipment	**(13)**	**(10)**	(19)	(15)
IAS 21 – Recycled foreign currency translation reserve	**(267)**	**(267)**	(397)	(397)
IAS 27 – Profit on disposal of subsidiary	**—**	**—**	(44)	(35)
IAS 28 – Impairment of investments in associates and joint ventures	**—**	**—**	2	2
IAS 36 – Impairment of property and equipment	**1**	**1**	260	189
IAS 36 and IAS 38 – Gain on disposal and impairment of intangible assets	**65**	**46**	148	107
IAS 39 – Release of available-for-sale reserves	**210**	**152**	44	31
IAS 40 – Change in fair value of investment properties	**47**	**34**	18	19
Headline earnings/diluted headline earnings		**14 287**		13 032
Headline earnings per ordinary share (cents)		**1 687,2**		1 538,4
Diluted headline earnings per ordinary share (cents)		**1 686,2**		1 537,5

Note

(1) The net amount is reflected after taxation and non-controlling interest.

5. Dividends per share

	2015 Rm	2014 Rm
Dividends declared to ordinary equity holders		
Interim dividend net of treasury shares **(29 July 2015: 450 cents)** (30 July 2014: 400 cents)	**3 807**	3 384
Final dividend net of treasury shares **(1 March 2016: 550 cents)** (3 March 2015: 525 cents)	**4 651**	4 451
	8 458	7 835
Dividends declared to non-controlling preference equity holders		
Interim dividend **(29 July 2015: 3 282,8082 cents)** (30 July 2014: 3 197,4658 cents)	**162**	158
Final dividend **(1 March 2016: 3 395,47945 cents)** (3 March 2015: 3 210,8904 cents)	**168**	159
	330	317
Dividends paid to ordinary equity holders[1]		
Final dividend net of treasury shares **(3 March 2015: 525 cents)** (11 February 2014: 470 cents)	**4 442**	3 981
Interim dividend net of treasury shares (**29 July 2015: 450 cents)** (30 July 2014: 400 cents)	**3 806**	3 384
	8 248	7 365
Dividends paid to non-controlling preference equity holders		
Final dividend **(3 March 2015: 3 210,8904 cents)** (11 February 2014: 2 979,3151 cents)	**159**	147
Interim dividend **(29 July 2015: 3 282,8082 cents)** (30 July 2014: 3 197,4658 cents)	**162**	158
	321	305

6. Acquisitions and disposals of businesses

6.1 Acquisitions of businesses during the current reporting period

The Group recently acquired 63% of the issued ordinary share capital of First Assurance Company Limited ("FACL"), an East African insurer, with operations in both Kenya and Tanzania. The acquisition of the investment in FACL had an effective acquisition date of 30 October 2015, and is a business combination within the scope of IFRS 3.

The non-controlling interest mentioned below was measured at its proportionate share of the acquiree's identifiable net assets. Goodwill of R164m has been recognised mainly due to intangible assets that do not qualify for separate recognition.

The transaction is currently under Purchase Price Allocation ("PPA") consideration as the due diligence is currently under way to finalise the contractual net asset value ("NAV") and to agree the final NAV between purchaser and seller. The initial accounting considerations include the valuation of intangible assets (identified in terms of IFRS 3 – i.e. Brand Names and Distribution Force), Premium debtors, Investment Properties and the Valuation of Policyholder liabilities.

From the date of acquisition, FACL contributed R9m to profit after tax of the Group. If the combination had taken place at the beginning of the year, profit after tax for the Group would have increased by R37m.

The Group also purchased additional shares in a non-core joint venture which resulted in an increase in the Group's effective shareholding from 50% to 67%. The profit share that the Group is entitled to is 74%. The acquisition occurred on 18 November 2015. A Bargain Purchase amount of R4m was recognised in the statement of comprehensive income.

Note

[1] The dividends paid on treasury shares are calculated on payment date.

6. Acquisitions and disposals of businesses *(continued)*

6.1.1 Acquisitions of businesses during the current reporting period

	First Assurance Holdings	Other	Group
	2015		
	Fair value recognised on acquisition		
	Rm	Rm	Rm
Consideration at November 2015:			
Cash	370	14	384
Total consideration	370	14	384
Recognised amounts of identifiable assets acquired and liabilities assumed			
Property, plant and equipment	28	—	28
Investment securities	145	—	145
Loans and advances to banks	196	—	196
Other assets	440	5	445
Investment properties	170	292	462
Current tax assets	2	—	2
Other liabilities	(65)	(1)	(66)
Insurance liabilities	(586)	—	(586)
Deferred tax liabilities	(3)	(4)	(7)
Loans from subsidiaries	—	(176)	(176)
Loans from Absa Group companies	—	(90)	(90)
Total identifiable net assets	327	26	353
Total NCI	(121)	(8)	(129)
Goodwill/(bargain purchase)	164	(4)	160
Total	370	14	384

A summary of the total net cash outflow and cash and cash equivalents related to acquisitions and disposals of businesses and other similar transactions is included below:

	Group	
	2015 Rm	2014 Rm
Summary of net cash outflow due to acquisitions	384	—

6.1.2 Disposals of businesses during the current reporting period

National Bank of Commerce Limited ("NBC") was recapitalised through a rights issue to all its shareholders during 2013. As the Government of Tanzania ("GoT") did not wish to subscribe to its rights at the time, an option was granted to GoT providing it with the right to purchase its pro rata portion of the shares from the Group within a period of two years after the rights issue. The GoT exercised its option during the reporting period which resulted in a decrease of the Group's shareholding from 66% to 55%.

6.2.1 Acquisitions and disposals of businesses during the previous reporting period

There were no acquisitions or disposals of businesses during the previous reporting period.

7. Related parties

There were no one-off significant transactions with related parties of the Group during the current and previous reporting period.

8. Financial guarantee contracts

	2015 Rm	2014 Rm
Financial guarantee contracts	**24**	96

Financial guarantee contracts represent contracts where the Group undertakes to make specified payments to a counterparty, should the counterparty suffer a loss as a result of a specified debtor failing to make payment when due in accordance with the terms of a debt instrument. This amount represents the maximum off-statement of financial position exposure.

9. Commitments

	2015 Rm	2014 Rm
Authorised capital expenditure		
Contracted but not provided for	**1 642**	1 675

The Group has capital commitments in respect of computer equipment and property development. Management is confident that future net revenue and funding will be sufficient to cover these commitments.

	2015 Rm	2014 Rm
Operating lease payments due		
No later than one year	**758**	856
Later than one year and no later than five years	**1 742**	1 631
Later than five years	**956**	709
	3 456	3 196

The operating lease commitments comprise a number of separate operating leases in relation to property and equipment, none of which is individually significant to the Group. Leases are negotiated for an average term of three to five years and rentals are renegotiated annually.

	2015 Rm	2014 Rm
Sponsorship payments due		
No later than one year	**147**	282
Later than one year and no later than five years	**177**	307
	324	589

The Group has sponsorship commitments in respect of sports, arts and culture.

	2015 Rm	2014 Rm
Other commitments		
No later than one year	**991**	991

The South African Reserve Bank ("SARB") announced in August 2014 that African Bank Investments Limited ("ABIL") would be placed under curatorship. A consortium of six South African banks (including Barclays Africa Group Limited) and the Public Investment Corporation ("PIC") have underwritten R5bn respectively. 50% of the amount underwritten by the banks is guaranteed by the SARB, of which Barclays Africa Group Limited committed R991m (pre the SARB guarantee). The value of the amount to be underwritten was determined with reference to the respective underwriter's proportion of total Tier 1 capital of the consortium as at 30 June 2014.

10. Contingencies

	2015 Rm	2014 Rm
Guarantees	**37 901**	34 011
Irrevocable debt facilities	**152 984**	125 334
Irrevocable equity facilities	**364**	366
Letters of credit	**7 466**	4 827
Other	**5 325**	3 774
	204 040	168 312

Guarantees include performance and payment guarantee contracts.

Irrevocable facilities are commitments to extend credit where the Group does not have the right to terminate the facilities by written notice. Commitments generally have fixed expiry dates. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

10. Contingencies *(continued)*

Legal proceedings

The Group is engaged in various litigation proceedings involving claims by and against it, which arise in the ordinary course of business. The Group does not expect the ultimate resolution of any proceedings, to which the Group is party, to have a significant adverse effect on the financial statements of the Group. Provision is made for all liabilities which are expected to materialise.

Regulatory matters

The scale of regulatory change remains challenging and the global financial crisis is resulting in a significant tightening of regulation and changes to regulatory structures globally, especially for companies that are deemed to be of systemic importance. Concurrently, there is continuing political and regulatory scrutiny of the operation of the banking and consumer credit industries globally which, in some cases, is leading to increased regulation. The nature and impact of future changes in the legal framework, policies and regulatory action cannot currently be fully predicted and are beyond the Group's control, but especially in the area of banking and insurance regulation, are likely to have an impact on the Group's businesses and earnings. The Group is continuously evaluating its compliance programmes and controls in general. As a consequence of these compliance programmes and controls, including monitoring and review activities, the Group has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, and made disclosures on material findings as and when appropriate.

Income taxes

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and worldwide provisions for income taxes necessarily involves a degree of estimation and judgement. There are many transactions and calculations for which the ultimate tax treatment is uncertain or in respect of which the relevant tax authorities may have indicated disagreement with the Group's treatment and accordingly the final tax charge cannot be determined until resolution has been reached with the relevant tax authority. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due after taking into account expert external advice where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made. These risks are managed in accordance with the Group's Tax Risk Framework.

11. Segment reporting

	2015 Rm	2014[1] Rm
11.1 Headline earnings contribution by segment		
RBB	**9 698**	8 525
CIB	**3 940**	3 734
WIMI	**1 464**	1 324
Head Office, Treasury and other operations	**(815)**	(551)
	14 287	13 032

	2015 Rm	2014[1] Rm
11.2 Total income by segment		
RBB	**49 208**	46 242
CIB	**13 764**	12 779
WIMI	**5 252**	4 931
Head Office, Treasury and other operations	**(1 026)**	(827)
	67 198	63 125

Note

[1] Operational changes, management changes and associated changes to the way in which the chief operation decision maker ("CODM") views the performance of each business segment, have resulted in the reallocation of earnings, assets and liabilities between operating segments. For details on business portfolio changes, refer to note 1.21 of the audited annual consolidated and separate financial statements approved on 29 February 2016.

11. Segment reporting *(continued)*

	2015 Rm	2014[1] Rm
11.3 Total internal income by segment		
RBB	**(9 265)**	(9 127)
CIB	**(855)**	1 512
WIMI	**(409)**	(404)
Head Office, Treasury and other operations	**10 529**	8 019
	—	—

	2015 Rm	2014[1] Rm
11.4 Total assets by segment		
RBB	**837 801**	774 546
CIB	**577 301**	477 529
WIMI	**43 920**	46 765
Head Office, Treasury and other operations	**(314 418)**	(307 426)
	1 144 604	991 414

	2015 Rm	2014[1] Rm
11.5 Total liabilities by segment		
RBB	**810 563**	752 935
CIB	**566 062**	466 489
WIMI	**38 396**	41 698
Head Office, Treasury and other operations	**(369 064)**	(360 653)
	1 045 957	900 469

Note

[1] Operational changes, management changes and associated changes to the way in which the Chief Operation Decision Maker ("CODM") views the performance of each business segment, have resulted in the reallocation of earnings, assets and liabilities between operating segments. For details on business portfolio changes, refer to note 1.21 of the audited annual consolidated and separate financial statements approved on 29 February 2016.

12. Assets and liabilities not held at fair value

The table below summarises the carrying amounts and fair values of those assets and liabilities not held at fair value:

	2015 Carrying value Rm	2015 Fair value Rm	2014[1] Carrying value Rm	2014[1] Fair value Rm
Financial assets				
Balances with other central banks	12 141	12 141	9 401	9 401
Balances with the SARB	17 459	17 459	12 621	12 621
Coins and bank notes	12 898	12 898	12 903	12 903
Money market assets	34	34	21	21
Cash, cash balances and balances with central banks	42 532	42 532	34 946	34 946
Investment securities	—	—	110	110
Loans and advances to banks	61 623	61 632	51 702	51 647
Other assets	22 875	22 875	12 835	13 124
Retail Banking South Africa	374 996	373 967	367 967	367 540
Credit cards	37 148	37 148	36 484	36 484
Instalment credit agreements	72 859	71 798	70 819	70 257
Loans to associates and joint ventures	16 175	16 175	13 012	13 012
Mortgages	228 349	228 359	229 023	229 067
Other loans and advances	367	367	410	410
Overdrafts	2 820	2 820	2 254	2 254
Personal and term loans	17 278	17 300	15 965	16 056
Business Banking South Africa	63 412	63 440	60 928	60 926
Mortgages (including Commercial Property Finance)	30 730	30 742	30 161	30 157
Overdrafts	18 159	18 175	18 148	18 128
Term loans	14 523	14 523	12 619	12 641
RBB Rest of Africa	45 212	45 212	35 812	35 812
CIB	184 342	184 344	154 620	154 228
WIMI	5 350	5 350	5 234	5 234
Head Office, Treasury and other operations	625	625	870	871
Loans and advances to customers – net of impairment losses	673 937	672 938	625 431	624 611
Total assets	800 967	799 977	725 024	724 438
Financial liabilities				
Deposits from banks	50 962	50 962	36 476	37 816
Other liabilities	21 398	21 278	16 525	16 532
Call deposits	72 172	72 172	56 991	56 991
Cheque account deposits	200 614	200 614	186 932	186 932
Credit card deposits	2 002	2 002	1 932	1 932
Fixed deposits	157 661	157 774	145 623	146 349
Foreign currency deposits	27 865	27 865	24 976	24 976
Notice deposits	48 954	48 963	49 764	49 843
Other deposits	13 791	13 791	11 437	11 437
Savings and transmission deposits	147 561	147 561	128 025	128 025
Deposits due to customers	670 620	670 742	605 680	606 485
Debt securities in issue	122 436	119 859	100 986	101 351
Borrowed funds	13 151	13 520	11 208	11 559
Total liabilities	878 567	876 361	770 875	773 743

Notes

[1] Operational changes, management changes and associated changes to the way in which the Chief Operation Decision Maker ("CODM") views the performance of each business segment, have resulted in the reallocation of earnings, assets and liabilities between operating segments. For details on business portfolio changes, refer to note 1.21 of the audited annual consolidated and separate financial statements approved on 29 February 2016.

13. Assets and liabilities held at fair value

13.1 Fair value measurement and valuation processes

Financial assets and financial liabilities

The Group has an established control framework with respect to the measurement of fair values. The framework includes a Valuation Committee and an Independent Valuation Control team ("IVC"), which is independent from the front office.

The Valuation Committee, which comprises representatives from senior management, will formally approve valuation policies and any changes to valuation methodologies. Significant valuation issues are reported to the Barclays Africa Group Audit and Compliance Committee.

The Valuation Committee is responsible for overseeing the valuation control process and will therefore consider the appropriateness of valuation techniques and inputs for fair value measurement.

The IVC independently verifies the results of trading and investment operations and all significant fair value measurements. They source independent data from external independent parties, as well as internal risk areas when performing independent price verification for all financial instruments held at fair value. They also assess and document the inputs obtained from external independent sources to measure the fair value which supports conclusions that valuations are performed in accordance with IFRS and internal valuation policies.

Investment properties

The fair value of investment properties is determined based on the most appropriate methodology applicable to the specific property. Methodologies include the market comparable approach that reflects recent transaction prices for similar properties, discounted cash flows and income capitalisation methodologies. In estimating the fair value of the properties, the highest and best use of the properties is taken into account.

Where possible the fair value of the Group's investment properties is determined through valuations performed by external independent valuators. When the Group's internal valuations are different to that of the external independent valuers, detailed procedures are performed to substantiate the differences, whereby the IVC verifies the procedures performed by the front office and considers the appropriateness of any differences to external independent valuations.

13.2 Fair value measurements

Valuation inputs

IFRS 13 requires an entity to classify fair values measured and/or disclosed according to a hierarchy that reflects the significance of observable market inputs. The three levels of the fair value hierarchy are defined as follows.

Quoted market prices – Level 1

Fair values are classified as Level 1 if they have been determined using observable prices in an active market. Such fair values are determined with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs – Level 2

Fair values classified as Level 2 have been determined using models for which inputs are observable in an active market.

A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Valuation technique using significant unobservable inputs – Level 3

Fair values are classified as Level 3 if their determination incorporates significant inputs that are not based on observable market data (unobservable inputs). An input is deemed significant if it is shown to contribute more than 10% to the fair value of an item. Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

Judgemental inputs on valuation of principal instruments

The following summary sets out the principal instruments whose valuation may involve judgemental inputs:

Debt securities and treasury and other eligible bills

These instruments are valued, based on quoted market prices from an exchange, dealer, broker, industry group or pricing service, where available. Where unavailable, fair value is determined by reference to quoted market prices for similar instruments or, in the case of certain mortgage-backed securities, valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs.

13. Assets and liabilities held at fair value *(continued)*

13.2 Fair value measurements *(continued)*

Equity instruments

Equity instruments are valued, based on quoted market prices from an exchange, dealer, broker, industry group or pricing service, where available. Where unavailable, fair value is determined by reference to quoted market prices for similar instruments or by using valuation techniques using inputs derived from observable market data, and, where relevant, assumptions in respect of unobservable inputs.

Also included in equity instruments are non-public investments, which include investments in venture capital organisations. The fair value of these investments is determined using appropriate valuation methodologies which, dependent on the nature of the investment, may include discounted cash flow analysis, enterprise value comparisons with similar companies and price:earnings comparisons. For each investment, the relevant methodology is applied consistently over time.

Derivatives

Derivative contracts can be exchange-traded or traded over the counter ("OTC") derivatives. OTC derivative contracts include forward, swap and option contracts related to interest rates, bonds, foreign currencies, credit spreads, equity prices and commodity prices or indices on these instruments. Fair values of derivatives are obtained from quoted market prices, dealer price quotations, discounted cash flow and option pricing models.

Loans and advances

The disclosed fair value of loans and advances to banks and customers is determined by discounting contractual cash flows. Discount factors are determined using the relevant forward base rates (as at valuation date) plus the originally priced spread. Where a significant change in credit risk has occurred, an updated spread is used to reflect valuation date pricing. Behavioural cash flow profiles, instead of contractual cash flow profiles, are used to determine expected cash flows where contractual cash flow profiles would provide an inaccurate fair value.

Deposits, debt securities in issue and borrowed funds

Deposits, debt securities in issue and borrowed funds are valued using discounted cash flow models, applying rates currently offered for issuances with similar characteristics. Where these instruments include embedded derivatives, the embedded derivative component is valued using the methodology for derivatives.

The fair value of amortised cost deposits repayable on demand is considered to be equal to their carrying value. For other financial liabilities at amortised cost the disclosed fair value approximates the carrying value because the instruments are short term in nature or have interest rates that reprice frequently.

13.3 Fair value adjustments

The main valuation adjustments required to arrive at a fair value are described as follows:

Bid-offer valuation adjustments

For assets and liabilities where the Group is not a market maker, mid-prices are adjusted to bid and offer prices respectively unless the relevant mid-prices are reflective of the appropriate exit price as a practical expedient given the nature of the underlying instruments. Bid-offer adjustments reflect expected close out strategy and, for derivatives, the fact that they are managed on a portfolio basis. The methodology for determining the bid-offer adjustment for a derivative portfolio will generally involve netting between long and short positions and the bucketing of risk by strike and term in accordance with hedging strategy. Bid-offer levels are derived from market sources, such as broker data. For those assets and liabilities where the Group is a market maker and has the ability to transact at, or better than, mid-price (which is the case for certain equity, bond and vanilla derivative markets), the mid-price is used, since the bid-offer spread does not represent a transaction cost.

Uncollateralised derivative adjustments

A fair value adjustment is incorporated into uncollateralised derivative valuations to reflect the impact on fair value of counterparty credit risk, as well as the cost of funding across all asset classes.

Model valuation adjustments

Valuation models are reviewed under the Group's model governance framework. This process identifies the assumptions used and any model limitations (for example, if the model does not incorporate volatility skew). Where necessary, fair value adjustments will be applied to take these factors into account. Model valuation adjustments are dependent on the size of the portfolio, complexity of the model, whether the model is market standard and to what extent it incorporates all known risk factors. All models and model valuation adjustments are subject to review on at least an annual basis.

13. Assets and liabilities held at fair value *(continued)*

13.4 Fair value hierarchy

The following table shows the Group's assets and liabilities that are recognised and subsequently measured at fair value and are analysed by valuation techniques. The classification of assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety.

	Group							
	2015				2014[1]			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets								
Cash, cash balances and balances with central banks	2 114	1 258	—	3 372	1 708	2 449	—	4 157
Investment securities	64 458	32 541	3 966	100 965	58 021	32 520	6 467	97 008
Loans and advances to banks	—	22 219	2 109	24 328	—	20 523	—	20 523
Trading and hedging portfolio assets	37 037	98 935	1 418	137 390	34 658	55 327	1 162	91 147
Debt instruments	18 891	9 430	897	29 218	24 459	6 221	870	31 550
Derivative assets	51	79 938	521	80 510	5	42 367	292	42 664
Commodity derivatives	—	212	—	212	2	313	—	315
Credit derivatives	—	889	23	912	—	284	91	375
Equity derivatives	6	2 134	43	2 183	3	1 018	29	1 050
Foreign exchange derivatives	45	27 696	3	27 744	—	8 378	12	8 390
Interest rate derivatives	—	49 007	452	49 459	—	32 374	160	32 534
Listed equity instruments – HFT	17 321	—	—	17 321	9 591	321	—	9 912
Money market assets	774	9 567	—	10 341	603	6 418	—	7 021
Other assets	—	1	25	26	7	1	17	25
Loans and advances to customers	3	21 908	7 511	29 422	4	6 160	4 731	10 895
Investments linked to investment contract	16 885	2 632	—	19 517	17 014	2 302	1	19 317
Total financial assets	120 497	179 494	15 029	315 020	111 412	119 282	12 378	243 072
Financial liabilities								
Deposits from banks	—	12 011	7	12 018	—	16 501	—	16 501
Trading and hedging portfolio liabilities	3 712	91 009	217	94 938	7 928	44 101	320	52 349
Derivative liabilities	—	91 009	217	91 226	—	44 101	320	44 421
Commodity derivatives	—	429	—	429	—	268	—	268
Credit derivatives	—	879	14	893	—	352	39	391
Equity derivatives	—	3 768	58	3 826	—	1 297	198	1 495
Foreign exchange derivatives	—	28 576	—	28 576	—	10 001	7	10 008
Interest rate derivatives	—	57 357	145	57 502	—	32 183	76	32 259
Short positions	3 712	—	—	3 712	7 928	—	—	7 928
Other liabilities	—	7	5	12	—	23	28	51
Deposits due to customers	111	15 131	2 557	17 799	80	13 596	5 530	19 206
Debt securities in issue	202	5 421	624	6 247	179	4 891	42	5 112
Liabilities under investment contracts	—	24 209	–	24 209	—	20 277	3 022	23 299
Total financial liabilities	4 025	147 788	3 410	155 223	8 187	99 389	8 942	116 518
Non-financial assets								
Commodity	2 005	—	—	2 005	1 701	—	—	1 701
Investment properties	—	—	1 264	1 264	—	—	727	727
Non-recurring fair value measurements								
Non-current assets held for sale[2]	—	—	1 700	1 700	—	—	972	972
Non-current liabilities held for sale[2]	—	—	233	233	—	—	372	372

Notes
(1) These numbers have been restated, refer to note 14 for reporting changes.
(2) Includes certain items classified in terms of the requirements of IFRS 5 which are measured in terms of their respective standards.

13. Assets and liabilities held at fair value *(continued)*

13.5 Measurement of assets and liabilities categorised at Level 2

The following table presents information about the valuation techniques and significant observable inputs used in measuring assets and liabilities categorised as Level 2 in the fair value hierarchy:

Category of asset/liability	Valuation techniques applied	Significant observable inputs
Cash, cash balances and balances with central banks	Discounted cash flow models	Underlying price of market traded instruments and/or interest rates
Loans and advances to banks	Discounted cash flow models	Interest rate and/or money market curves
Trading and hedging portfolio assets and liabilities		
Debt instruments	Discounted cash flow models	Underlying price of market traded instruments and/or interest rates
Derivative assets		
Commodity derivatives	Discounted cash flow model, option pricing, futures pricing and/or exchange traded fund ("ETF") models	Spot price of physical or futures, interest rates and/or volatility
Credit derivatives	Discounted cash flow and/or credit default swap (hazard rate) models	Interest rate, recovery rate, credit spread and/or quanto ratio
Equity derivatives	Discounted cash flow, option pricing and/or futures pricing models	Spot price, interest rate, volatility and/or dividend stream
Foreign exchange derivatives	Discounted cash flow and/or option pricing models	Spot price, interest rate and/or volatility
Interest rate derivatives	Discounted cash flow and/or option pricing models	Interest rate curves, repurchase agreement curves, money market curves and/or volatility
Equity instruments	Net asset value	Underlying price of market traded instruments
Money market assets	Discounted cash flow models	Money market rates and/or interest rates
Loans and advances to customers	Discounted cash flow models	Interest rate and/or money market curves
Investment securities and investments linked to investment contracts	Listed equity: market bid price. Other items: discounted cash flow models	Underlying price of the market traded instrument, interest rate curves
Deposits from banks	Discounted cash flow models	Interest rate curves and/or money market curves
Deposits due to customers	Discounted cash flow models	Interest rate curves and/or money market curves
Debt securities in issue and other liabilities	Discounted cash flow models	Underlying price of the market traded instrument and/or interest rate curves

13. Assets and liabilities held at fair value *(continued)*

13.6 Reconciliation of Level 3 assets and liabilities

A reconciliation of the opening balances to closing balances for all movements on Level 3 assets and liabilities is set out below:

	2015							
	Trading and hedging portfolio assets Rm	Other assets Rm	Loans and advances to customers Rm	Loans and advances to banks Rm	Investment securities Rm	Investment properties Rm	Investments linked to investment contracts Rm	Total assets at fair value Rm
Opening balance at the beginning of the reporting period	1 162	17	4 731	—	6 467	727	1	13 105
Net interest income	—	—	488	—	85	—	—	573
Gains and losses from banking and trading activities	323	—	—	—	—	—	—	323
Gains and losses from investment activities	—	—	—	(18)	50	60	—	92
Purchases	16	8	5 108	2 127	47	478	—	7 784
Sales	(83)	—	(2 816)	—	(2 718)	(1)	(1)	(5 619)
Movement in other comprehensive income	—	—	—	—	35	—	—	35
Issues	—	—	—	—	—	—	—	—
Settlements	—	—	—	—	—	—	—	—
Transferred to/(from) assets	—	—	—	—	—	—	—	—
Movement in/(out of) Level 3	—	—	—	—	—	—	—	—
Closing balance at the end of the reporting period	1 418	25	7 511	2 109	3 966	1 264	—	16 293

	2014						
	Trading and hedging portfolio assets Rm	Other assets Rm	Loans and advances to customers Rm	Investment securities[1] Rm	Investment properties Rm	Investments linked to investment contracts Rm	Total assets at fair value Rm
Opening balance at the beginning of the reporting period	1 037	16	6 477	6 621	1 089	7	15 247
Net interest income	—	1	373	69	—	—	443
Gains and losses from banking and trading activities	179	—	(29)	136	—	—	286
Gains and losses from investment activities	—	—	2	(2)	6	—	6
Purchases	—	—	143	2 418	11	—	2 572
Sales	(32)	—	(620)	(863)	(3)	(6)	(1 524)
Movement in other comprehensive income	—	—	—	5	—	—	5
Settlements	—	—	(1 615)	(1 933)	—	—	(3 548)
Transferred to/(from) assets[2]	—	—	—	—	(376)	—	(376)
Movement in/(out of) Level 3	(22)	—	—	16	—	—	(6)
Closing balance at the end of the reporting period	1 162	17	4 731	6 467	727	1	13 105

Notes
[1] These numbers have been restated, refer to note 14 for reporting changes.
[2] Transfer to non-current assets held for sale.

13. Assets and liabilities held at fair value *(continued)*

13.6 Reconciliation of Level 3 assets and liabilities *(continued)*

	2015						
	Deposits from banks Rm	Trading and hedging portfolio liabilities Rm	Other liabilities Rm	Deposits due to customers Rm	Debt securities in issue Rm	Liabilities under investment contracts Rm	Total liabilities at fair value Rm
Opening balance at the beginning of the reporting period	—	320	28	5 530	42	3 022	8 942
Net interest income	—	—	—	—	—	—	—
Gains and losses from banking and trading activities	—	(21)	—	—	—	—	(21)
Gains and losses from investment activities	—	—	(23)	132	172	(479)	(198)
Purchases	—	—	—	—	—	—	—
Sales	—	—	—	—	—	—	—
Movement in other comprehensive income	—	—	—	—	—	—	—
Issues	7	1	—	3 112	410	—	3 530
Settlements	—	(83)	—	(3 265)	—	—	(3 348)
Transferred to/(from) assets/liabilities	—	—	—	—	—	—	—
Movement in/(out of) Level 3	—	—	—	(2 952)	—	(2 543)	(5 495)
Closing balance at the end of the reporting period	7	217	5	2 557	624	—	3 410

	2014					
	Trading and hedging portfolio liabilities Rm	Other liabilities Rm	Deposits due to customers Rm	Debt securities in issue Rm	Liabilities under investment contracts Rm	Total liabilities at fair value Rm
Opening balance at the beginning of the reporting period	549	—	7 138	35	—	7 722
Net interest income	—	—	1	1	—	2
Gains and losses from banking and trading activities	(62)	—	(1 501)	6	—	(1 557)
Gains and losses from investment activities	—	—	—	—	—	—
Purchases	—	28	—	—	3 022	3 050
Sales	(75)	—	—	—	—	(75)
Movement in other comprehensive income	(8)	—	—	—	—	(8)
Settlements	—	—	(81)	—	—	(81)
Transferred to/(from) assets	—	—	—	—	—	—
Movement in/(out of) Level 3	(84)	—	(27)	—	—	(111)
Closing balance at the end of the reporting period	320	28	5 530	42	3 022	8 942

13.6.1 Significant transfers between levels

During the prior reporting period, it was determined that significant transfers between levels of the assets and liabilities held at fair value occurred. Treasury bills of R18,5bn were transferred from Level 1 to Level 2, as these are held in an inactive market.

Transfers out of Level 3 and into Level 2 arise where unobservable inputs become observable and/or unobservable inputs are no longer considered to be significant to the valuation of an instrument.

Transfers have been reflected as if they had taken place at the beginning of the year.

13. Assets and liabilities held at fair value *(continued)*

13.7 Unrealised gains and losses on Level 3 assets and liabilities

The total unrealised gains and losses for the reporting period on Level 3 positions held at the reporting date are set out below:

	2015						
	Trading and hedging portfolio assets Rm	Other assets Rm	Loans and advances to customers Rm	Investment securities Rm	Investments linked to investment contracts Rm	Non-current assets held for sale Rm	Total assets at fair value Rm
Gains and losses from banking and trading activities	96	—	(28)	48	—	—	116

	2014						
	Trading and hedging portfolio assets Rm	Other assets Rm	Loans and advances to customers Rm	Investment securities Rm	Investments linked to investment contracts Rm	Non-current assets held for sale Rm	Total assets at fair value Rm
Gains and losses from banking and trading activities	79	—	(28)	—	—	—	51

	2015				
	Trading and hedging portfolio liabilities Rm	Other liabilities Rm	Deposits due to customers Rm	Liabilities under investment contracts Rm	Total liabilities at fair value Rm
Gains and losses from banking and trading activities	79	—	—	—	79

	2014				
	Trading and hedging portfolio liabilities Rm	Other liabilities Rm	Deposits due to customers Rm	Liabilities under investment contracts Rm	Total liabilities at fair value Rm
Gains and losses from banking and trading activities	116	—	—	—	116

13. Assets and liabilities held at fair value *(continued)*

13.8 Sensitivity analysis of valuations using unobservable inputs

As part of the Group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The assets and liabilities that impact this sensitivity analysis most are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations.

The following table reflects how the unobservable parameters were changed in order to evaluate the sensitivities of Level 3 financial assets and liabilities:

Significant unobservable parameter	Positive/(negative) variance applied to parameters
Credit spreads	100/(100) bps
Volatilities	10/(10)%
Basis curves	100/(100) bps
Yield curves and repo curves	100/(100) bps
Future earnings and marketability discount	15/(15)%
Funding spreads	100/(100) bps

A significant parameter has been deemed to be one which may result in a charge to the profit or loss, or a change in the fair value asset or liability of more than 10% or the underlying value of the affected item. This is demonstrated by the following sensitivity analysis which includes a reasonable range of possible outcomes:

		2015	
		Potential effect recorded in profit or loss	**Potential effect recorded directly in equity**
	Significant unobservable parameters	**Favourable/(Unfavourable) Rm**	**Favourable/(Unfavourable) Rm**
Deposits due to customers	**BAGL/Absa funding spread**	**—/—**	**—/—**
Investment securities and investments linked to investment contracts	**Risk adjustment yield curves, future earnings and marketability discount**	**—/—**	**—/—**
Loans and advances to customers	**Credit spreads**	**235/246**	**—/—**
Other assets	**Volatility, credit spreads**	**—/—**	**—/—**
Trading and hedging portfolio assets	**Volatility, credit spreads, basis curves, yield curves, repo curves, funding spreads**	**107/107**	**—/—**
Trading and hedging portfolio liabilities	**Volatility, credit spreads, basis curves, yield curves, repo curves, funding spreads**	**15/15**	**—/—**
Other liabilities	**Volatility, credit spreads**	**—/—**	**—/—**
		357/368	**—/—**

		2014	
		Potential effect recorded in profit or loss	Potential effect recorded directly in equity
	Significant unobservable parameters	Favourable/(Unfavourable) Rm	Favourable/(Unfavourable) Rm
Deposits due to customers	BAGL/Absa funding spread	—/—	—/—
Investment securities and investments linked to investment contracts	Yield curves, future earnings and marketability discount, comparator multiples	672/126	—/—
Loans and advances to customers	Credit spreads	1 037/23	—/—
Other assets	Volatility, credit spreads	3/3	—/—
Trading and hedging portfolio assets	Volatility, credit spreads, basis curves, yield curves, repo curves, funding spreads	—/—	—/—
Trading and hedging portfolio liabilities	Volatility, credit spreads, basis curves, yield curves, repo curves, funding spreads	34/34	—/—
Other liabilities	Volatility, credit spreads	28/28	—/—
		1 774/214	—/—

13. Assets and liabilities held at fair value *(continued)*

13.9 Measurement of assets and liabilities at Level 3

The following table presents information about the valuation techniques and significant unobservable inputs used in measuring assets and liabilities categorised as Level 3 in the fair value hierarchy:

Category of asset/liability	Valuation techniques applied	Significant unobservable inputs	2015 Range of estimates utilised for the unobservable inputs	2014 Range of estimates utilised for the unobservable inputs
Loans and advances to customers	Discounted cash flow and/or dividend yield models	Credit spreads	**0,96% to 3,99%**	0,96% to 3,99%
Investment securities and investments linked to investment contracts	Discounted cash flow models, third-party valuations, earnings multiples and/or income capitalisation valuations	Risk adjusted yield curves, future earnings, marketability discounts and/or comparator multiples	**Discount rates between 8% and 11,5%, comparator multiples between 5 and 10,5**	Discount rates between 9,7% and 17,9%, comparator multiples between 5,5 and 6
Trading and hedging portfolio assets and liabilities				
Debt instruments	Discounted cash flow models	Credit spreads	**0,9% to 3,5%**	0,9% to 3,5%
Derivative assets				
Credit derivatives	Discounted cash flow and/or credit default swap (hazard rate) models	Credit spreads, recovery rates and/or quanto ratio	**0,0% to 23,64%**	0% to 13,45%
Equity derivatives	Discounted cash flow, option pricing and/or futures pricing models	Volatility and/or dividend streams (greater than 3 years)	**17,82% to 67,71%**	18,16% to 48,20%
Foreign exchange derivatives	Discounted cash flow and/or option pricing models	African basis curves (greater than 1 year)	**(10,00%) to 10,50%**	(10,74%) to 6,53%
Interest rate derivatives	Discounted cash flow and/or option pricing models	Real yield curves (greater than 1 year), repurchase agreement curves (greater than 1 year), funding spreads	**0,58% to 4,24%**	(1,56%) to 10,04%
Deposits due to customers	Discounted cash flow models	Barclays Africa Group Limited's funding spreads (greater than 5 years)	**1,52% to 2,15%**	0,85% to 1,2%
Debt securities in issue	Discounted cash flow models	Funding curves (greater than 5 years)	**(0,20%) to 3,35%**	1,28% to 1,38%
Investment properties	Discounted cash flow models	Estimates of periods in which rental units will be disposed of	**1 to 7 years**	2 to 7 years
		Annual selling price escalations	**0% to 6%**	0% to 6%
		Annual rental escalations	**0% to 10%**	0% to 10%
		Expense ratios	**26% to 51%**	22% to 75%
		Vacancy ratio	**1% to 18%**	2% to 15%
		Income capitalisation rates	**8% to 12%**	10% to 12%
		Risk adjusted discount rates	**13% to 14%**	14% to 16%

For assets or liabilities held at amortised cost and disclosed in levels 2 or 3 of the fair value hierarchy, the discounted cash flow valuation technique is used. Interest rates and money market curves are considered unobservable inputs for items which mature after five years. However, if the items mature in less than five years, these inputs are considered observable.

For debt securities in issue held at amortised cost, a further significant input would be the underlying price of the market traded instrument.

The sensitivity of the fair value measure is dependent on the unobservable inputs. Significant changes to the unobservable inputs in isolation will have either a positive or negative impact on fair values.

13. Assets and liabilities held at fair value *(continued)*

13.10 Unrecognised gains/(losses) as a result of the use of valuation models using unobservable inputs

The amount that has yet to be recognised in the statement of comprehensive income that relates to the difference between the transaction price and the amount that would have arisen had valuation models using unobservable inputs been used on initial recognition, less amounts subsequently recognised, is as follows:

	2015 Rm	2014 Rm
Opening balance at the beginning of the reporting period	**(52)**	(55)
New transactions	**(91)**	(23)
Amounts recognised in profit or loss during the reporting period	**38**	26
Closing balance at the end of the reporting period	**(105)**	(52)

13.11 Third-party credit enhancements

There were no significant liabilities measured at fair value and issued with inseparable third-party credit enhancements.

14. Reporting changes overview

Reclassification changes

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

The impact of these changes on the statement of financial position is as follows:

Summary consolidated statement of financial position as at 31 December 2014

	As previously reported Rm[1]	Internal reclassifications Rm	Restated Rm
Assets			
Cash, cash balances and balances with central banks	**50 335**	(11 232)	**39 103**
Investment securities	**85 886**	11 232	**97 118**

Summary consolidated statement of financial position as at 31 December 2013

	As previously reported Rm[1]	Internal reclassifications Rm	Restated Rm
Assets			
Cash, cash balances and balances with central banks	**50 130**	(14 032)	**36 098**
Investment securities	**79 004**	14 032	**93 036**

Note
[1] As per published financial results for 31 December 2014.

Administration and contact details

Barclays Africa Group Limited

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

Authorised financial services and registered credit provider (NCRCP7)

JSE share code: BGA

ISIN: ZAE000174124

Registered office

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

Switchboard: +27 11 350 4000

barclaysafrica.com

Head Investor Relations

Alan Hartdegen

Telephone: +27 11 350 2598

Group Company Secretary

Nadine Drutman

Telephone: +27 11 350 5347

Head of Finance

Jason Quinn

Telephone: +27 11 350 7565

Queries

Please direct investor relations and annual report queries to groupinvestorrelations@barclaysafrica.com

Please direct media queries to groupmedia@barclaysafrica.com

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

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

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

Transfer secretary

Computershare Investor Services (Pty) Ltd

Telephone: +27 11 370 5000

computershare.com/za/

ADR depositary

BNY Mellon

Telephone: +1 212 815 2248

bnymellon.com

Auditors

Ernst & Young Inc.

Telephone: +27 11 772 3000

ey.com/ZA/en/Home

PricewaterhouseCoopers Inc.

Telephone: +27 11 797 4000

pwc.co.za

Sponsors

Lead independent sponsor

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

Telephone: +27 11 507 0300

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

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)

Telephone: +27 11 895 6843

equitysponsor@absacapital.com

Significant banking subsidiaries

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

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

Representative offices

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

While not members of the Barclays Africa Group Limited legal entity, these operations are managed by the Group

Barclays Bank Egypt S.A.E	barclays.com.eg
Barclays Bank of Zimbabwe Limited	zw.barclays.com/