



# Barclays Africa Group Limited

1H15 results presentation

29 July 2015



# Strategic update

Maria Ramos



# Our 2016 commitments

	1H15
RoE 18% to 20%	16.4%
Top 3 by revenue in our 5 biggest markets - South Africa, Kenya, Ghana, Botswana and Zambia	3
Cost to income ratio in the low 50s	55.9%
Rest of Africa 20% to 25% of total revenue	20.3%



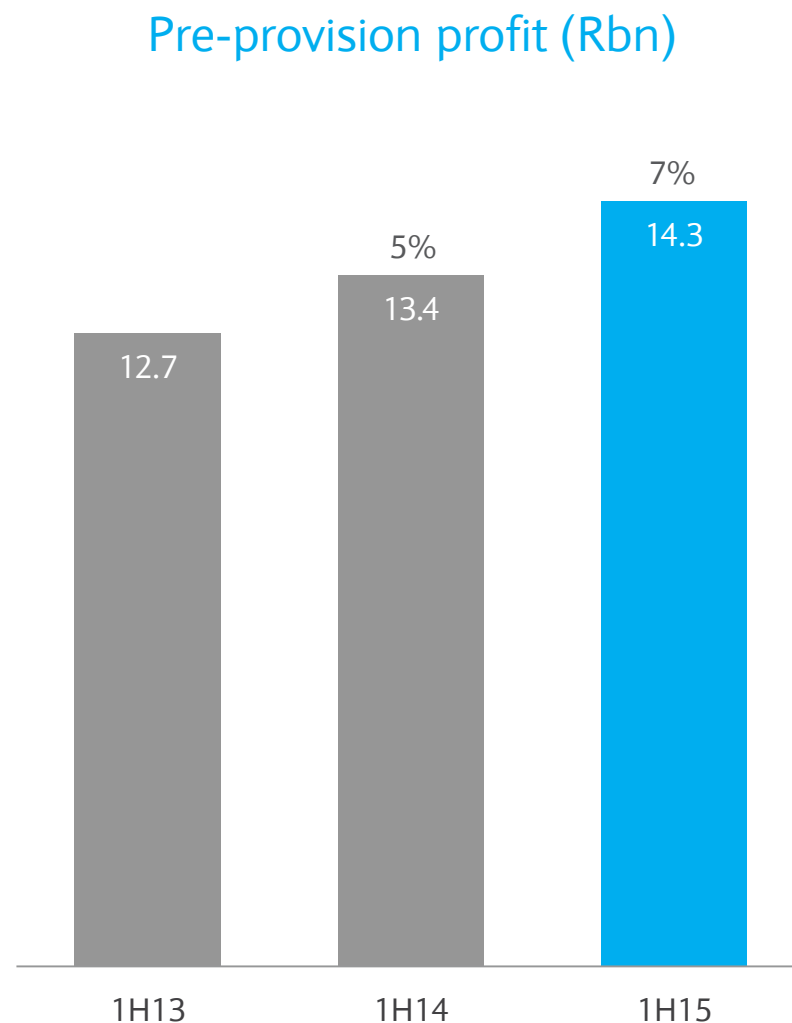
# Financial review

David Hodnett



# Pre-provision profit drove earnings growth

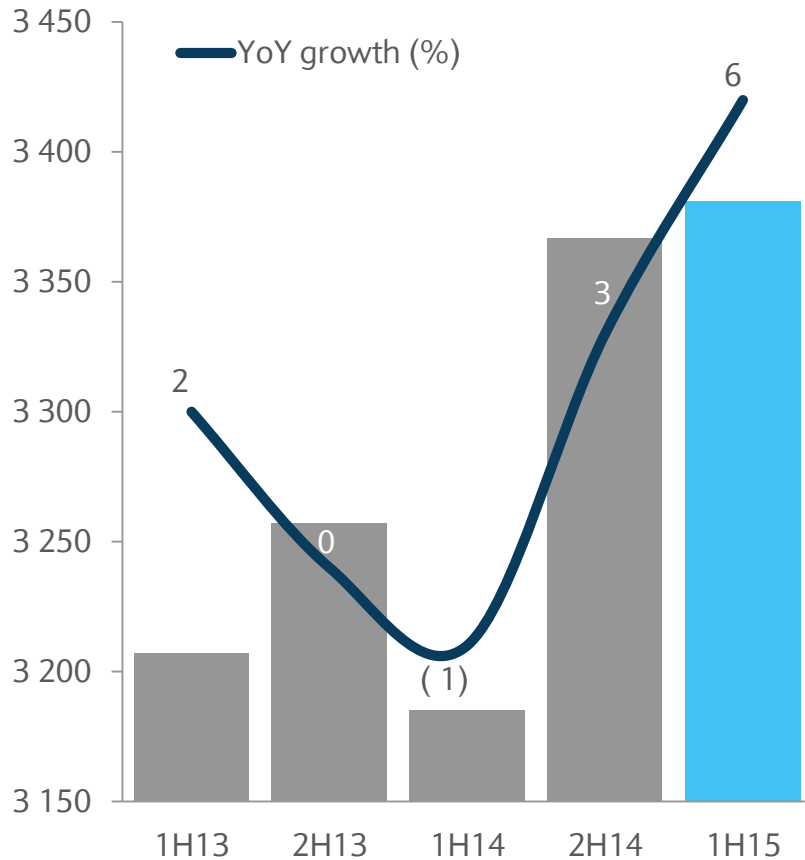
	1H15 Rm	1H14 Rm	Change %
Net interest income	18 463	17 197	7
Non-interest income	13 960	13 487	4
<b>Total revenue</b>	<b>32 423</b>	<b>30 684</b>	<b>6</b>
Impairment losses	(3 550)	(3 568)	(1)
Operating expenses	(18 129)	(17 297)	5
Other*	(568)	(512)	10
Taxation	(2 907)	(2 714)	7
Non-controlling interest	(499)	(427)	17
Attributable earnings	6 770	6 166	10
<b>Headline earnings</b>	<b>6 755</b>	<b>6 110</b>	<b>11</b>



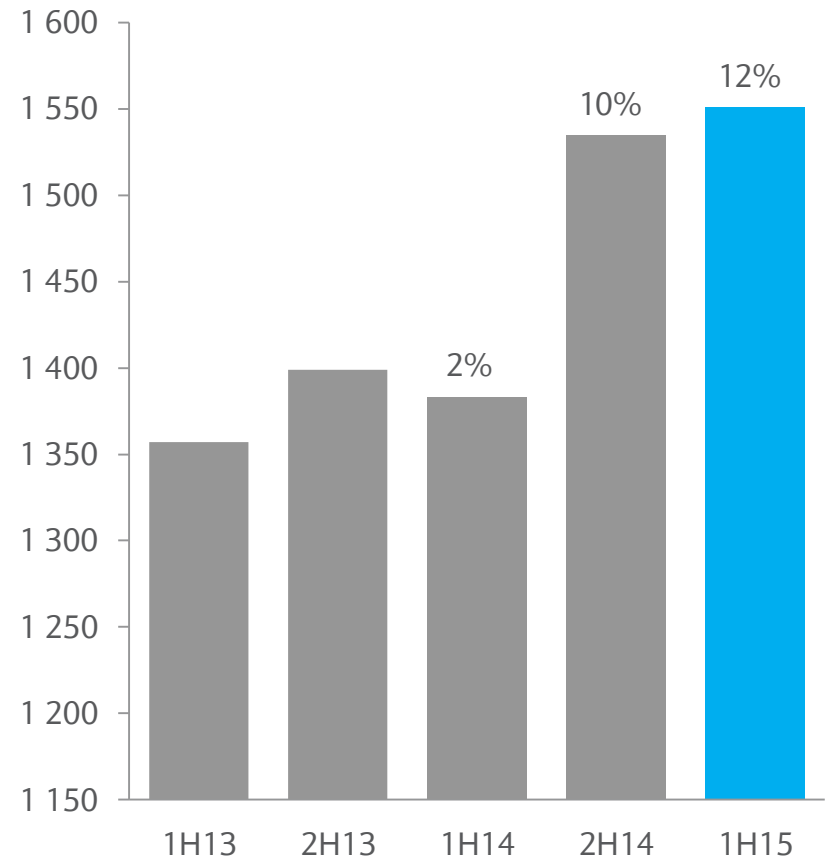
Note: \* Includes other impairments, indirect tax and associates

# Gaining revenue traction in focus areas...

Retail Banking SA Transactional and Deposits non-interest income (Rm)

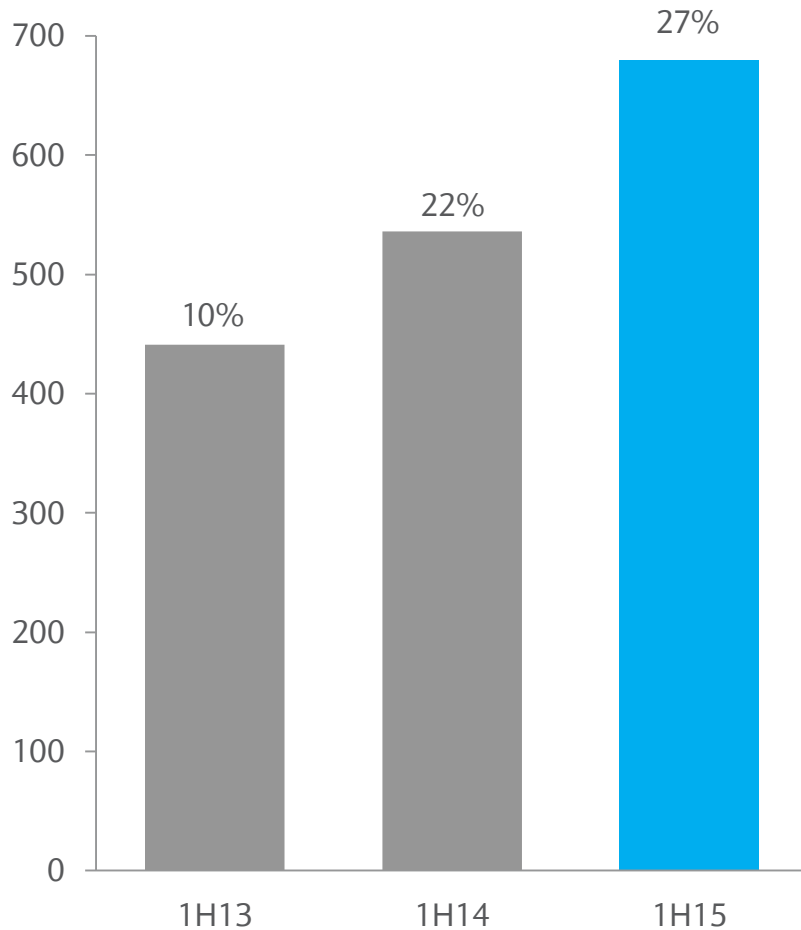


Business Banking SA transactional revenue (Rm and YoY)

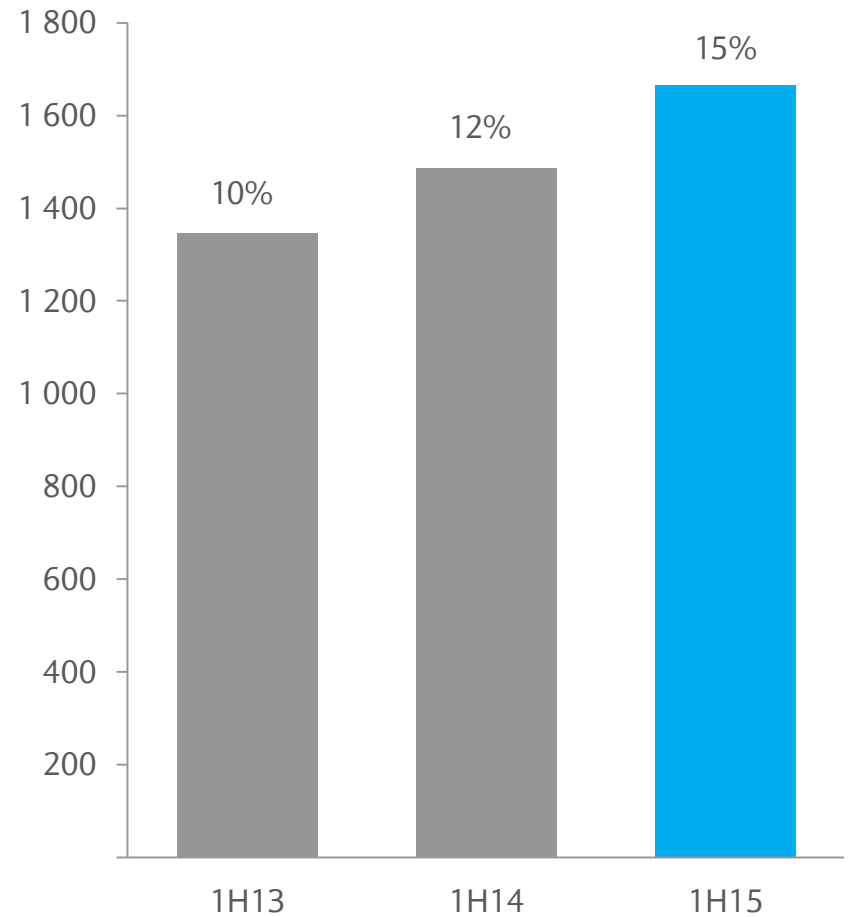


# ... across divisions and geographies ...

## Markets Rest of Africa revenue (Rm)



## Corporate SA revenue\* (Rm)

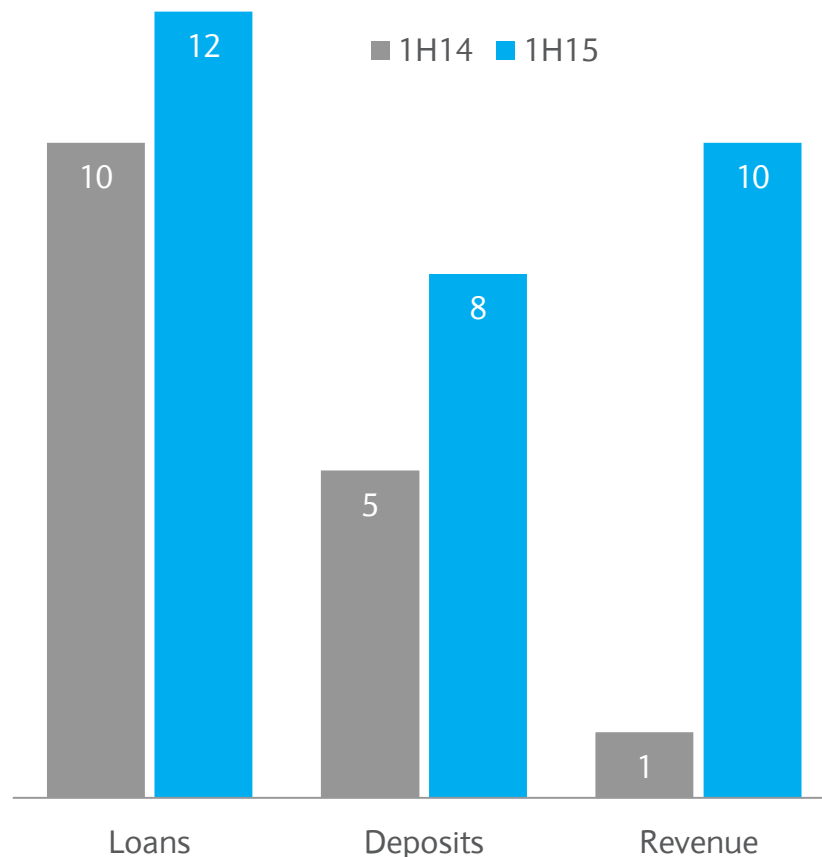


Note: \*Excluding Custody and Trustee

## ...with improving underlying metrics in others

- Solid growth in accounts and Premier customers
- New to bank card sales almost doubled off a low base
- Rising Barclays@Work signups
- Healthy card acquiring growth
- Strong growth in digitally active customers
- Improving cross sell
- NPS increased notably

RBB Rest of Africa YoY growth (%)\*

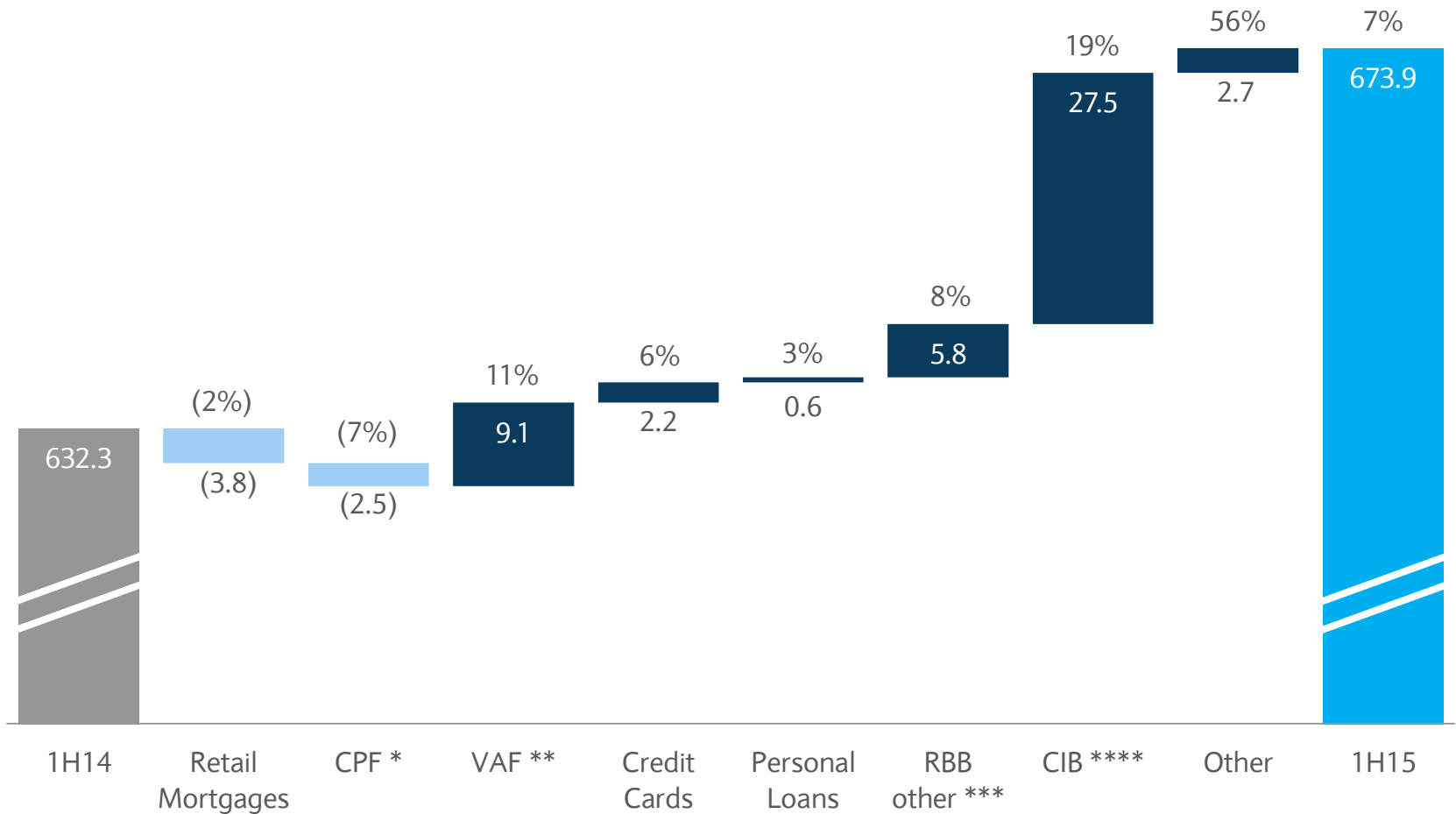


Note: \* Constant currency



# Double digit loan growth excluding property

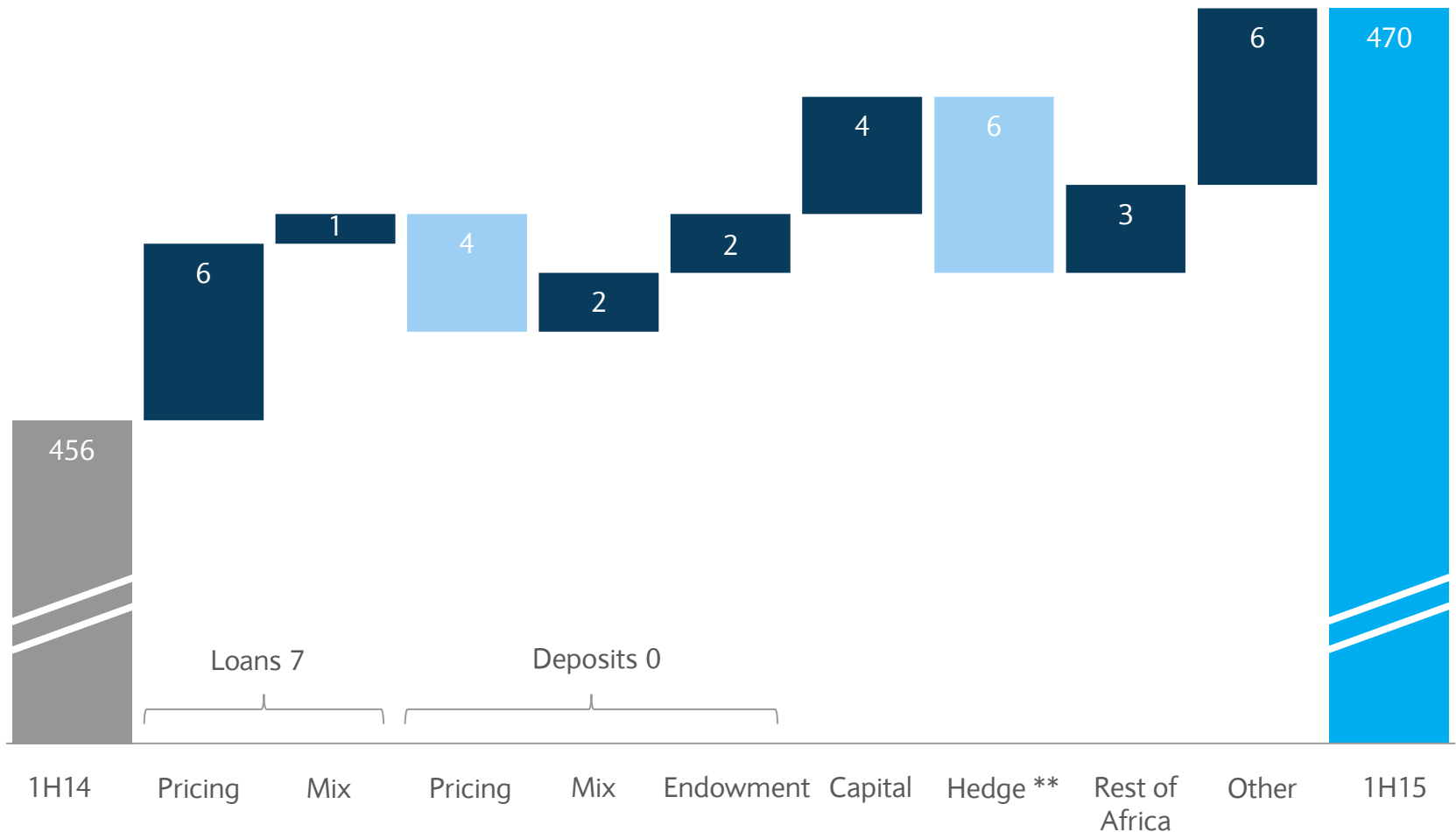
Change in gross customer loans (Rbn)



Note: \* Commercial property finance, includes Business Bank and CIB mortgages; \*\* instalment credit agreements and associates and JVs; \*\*\* includes Rest of Africa \*\*\*\* excludes mortgages

# Loan pricing and endowment lift margin

Change in net interest margin\* (basis points)

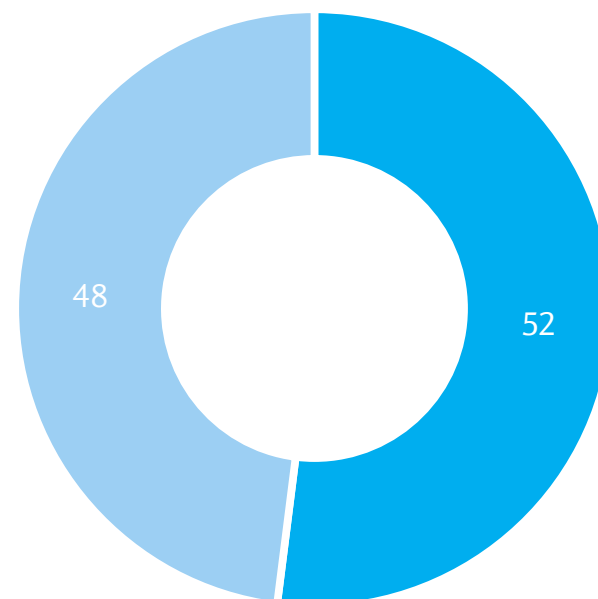


Note: \* Average interest bearing assets; \*\* interest rate risk management

# Non-interest income growth picking up

	1H15 Rm	Change %	Mix %
Net fee and commission	9 298	6	66
— Retail Banking SA	5 694	4	41
— Business Banking SA	1 546	9	11
— RBB Rest of Africa	1 038	6	7
— CIB	1 020	17	7
WIMI	2 490	8	18
Markets – net trading result	1 798	(24)	13
Other	374	>100	3
<b>Total</b>	<b>13 960</b>	<b>4</b>	

Group revenue split 1H15 (%)

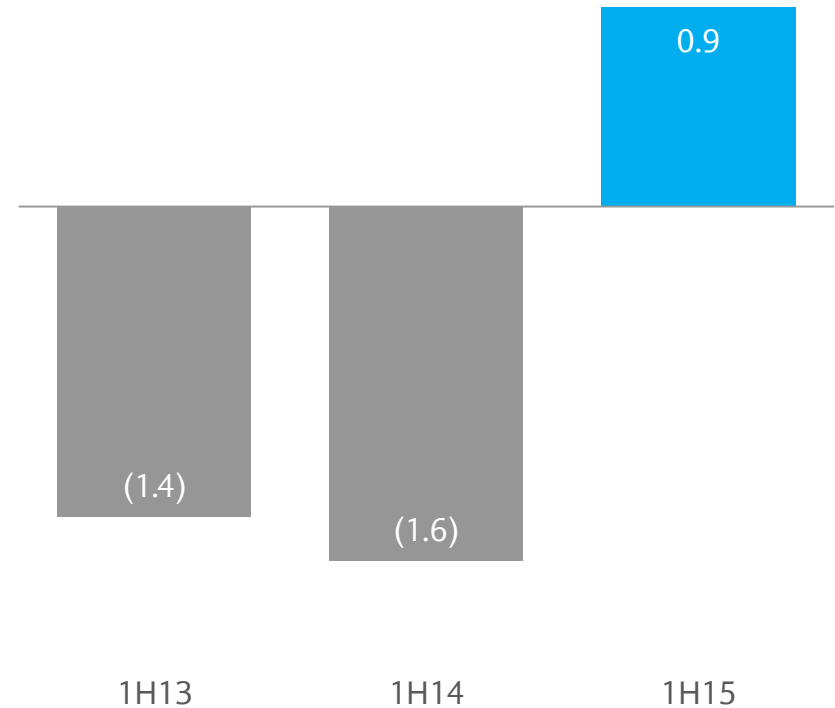


- Net-interest income after impairments
- Non-interest income

# Continue saving to invest in growth

	1H15 Rm	Change %	Mix %
Staff costs	10 053	10	55
Property-related costs	2 616	(6)	14
Information technology	1 137	(2)	6
Amortisation	229	(6)	1
Marketing costs	722	23	4
Professional fees	863	5	5
Cash transportation	420	1	2
Other*	2 089	(4)	12
<b>Total</b>	<b>18 129</b>	<b>5</b>	

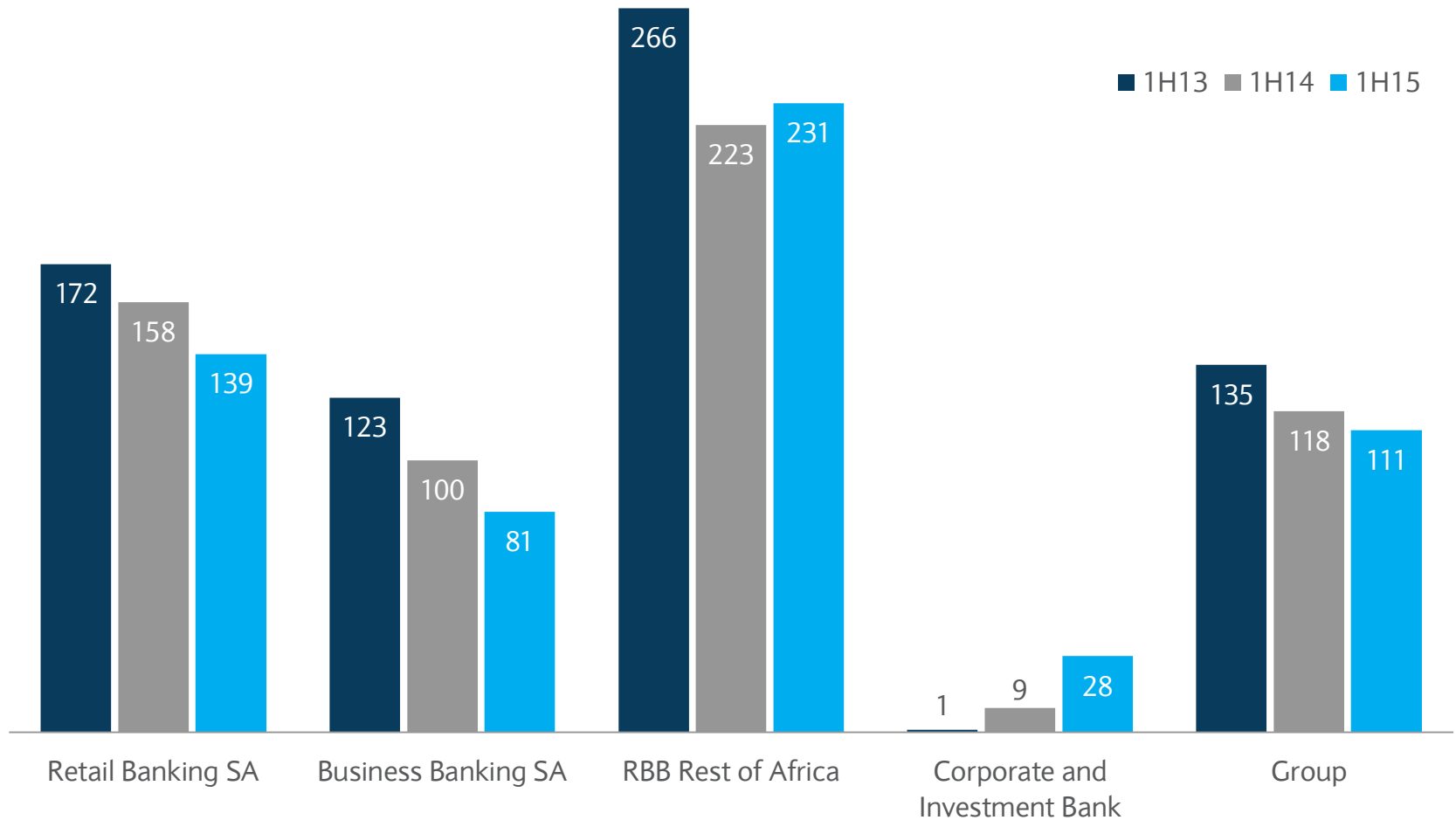
## Group operating JAWS (%)\*\*



Note: \* Includes administration fees, printing and stationery, telephone and postage, fraud losses etc; \*\* revenue growth minus operating expenses growth

# Focus on quality lending evident in credit loss ratio

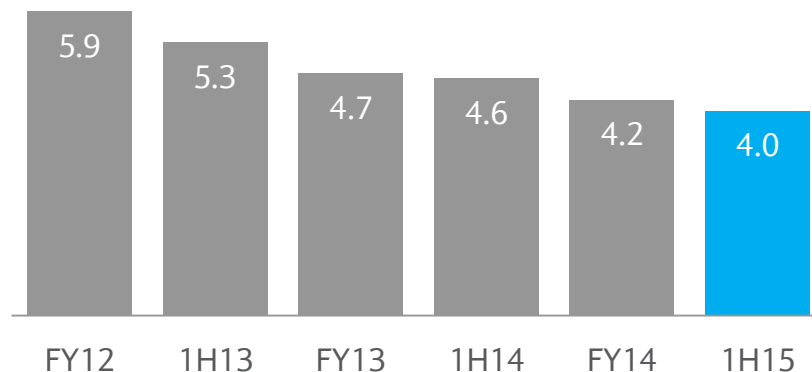
Divisional credit loss ratios (bps)



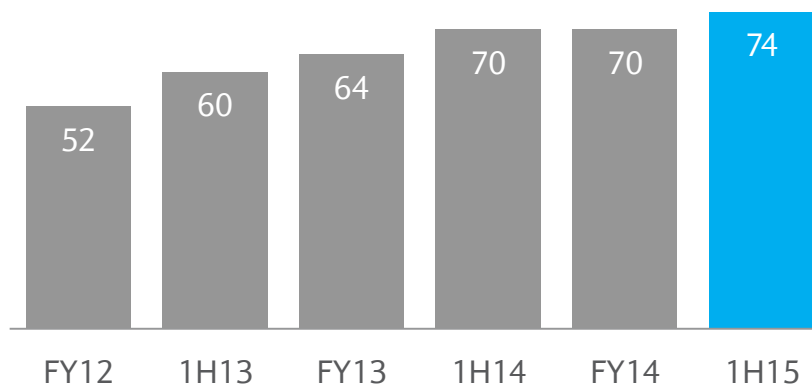
# Credit charge and cover improved

	1H15	1H14	1H15	1H14
	Credit loss ratio (bps)		NPL cover (%)	
Retail and Business Banking	138	155	45	43
Retail Banking SA	139	158	44	42
Cards *	695	763	72	72
VAF	111	111	42	46
Mortgages **	25	47	23	27
Personal Loans	593	656	66	65
Business Banking SA	81	100	34	37
RBB Rest of Africa	231	223	64	57
CIB	28	9	28	39
WIMI	12	72	67	90
<b>Group</b>	<b>111</b>	<b>118</b>	<b>44</b>	<b>43</b>

## Non-performing loans (%)

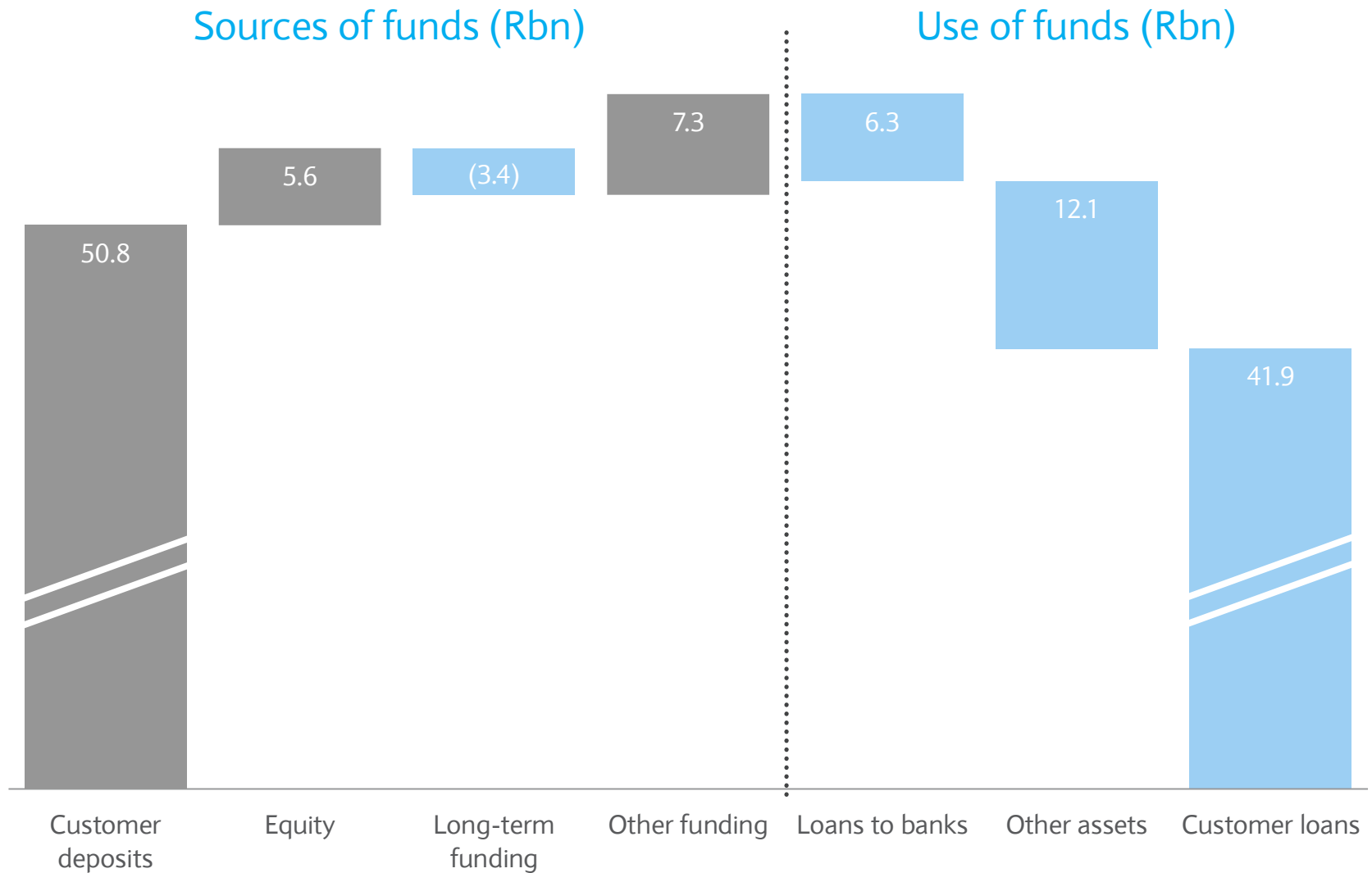


## Provision to performing loans (bps)



Note: \* Includes Woolworths Financial Services and the Edcon portfolio; \*\* Home Loans credit loss ratio

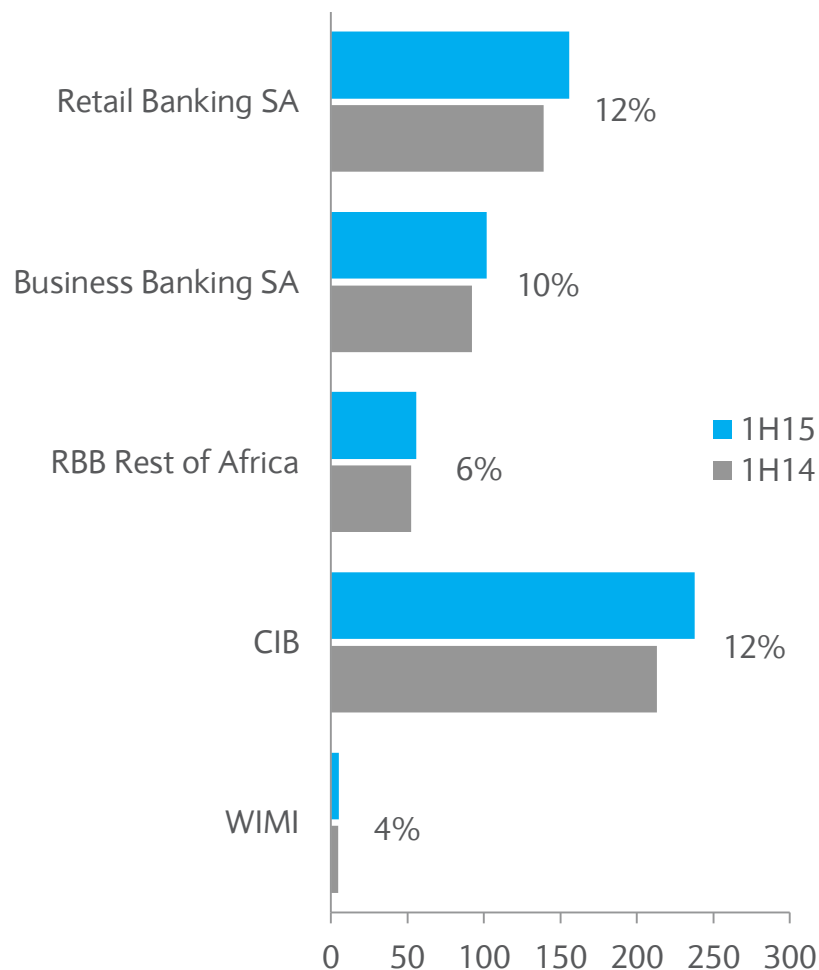
# Deposit growth funded lending to customers



# Improving growth across most deposit franchises

- Customer deposits 79% of funding
- Improved Corporate growth
- Strong growth in core in SA retail deposits
- Focus on pricing in RBB Rest of Africa
- Fixed and savings deposits drove Business Banking SA growth
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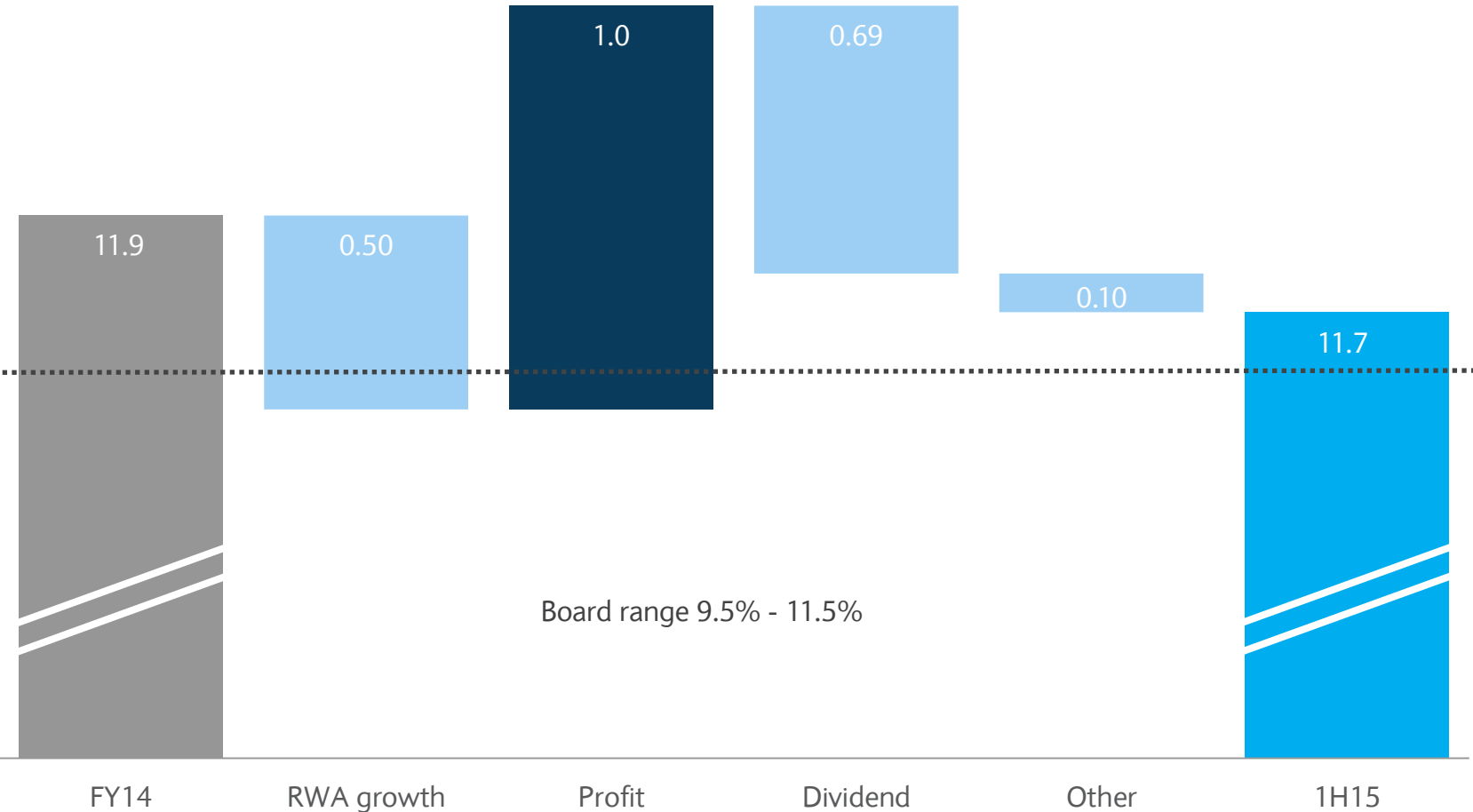
Customer deposits (Rbn)





# Capital levels remain strong

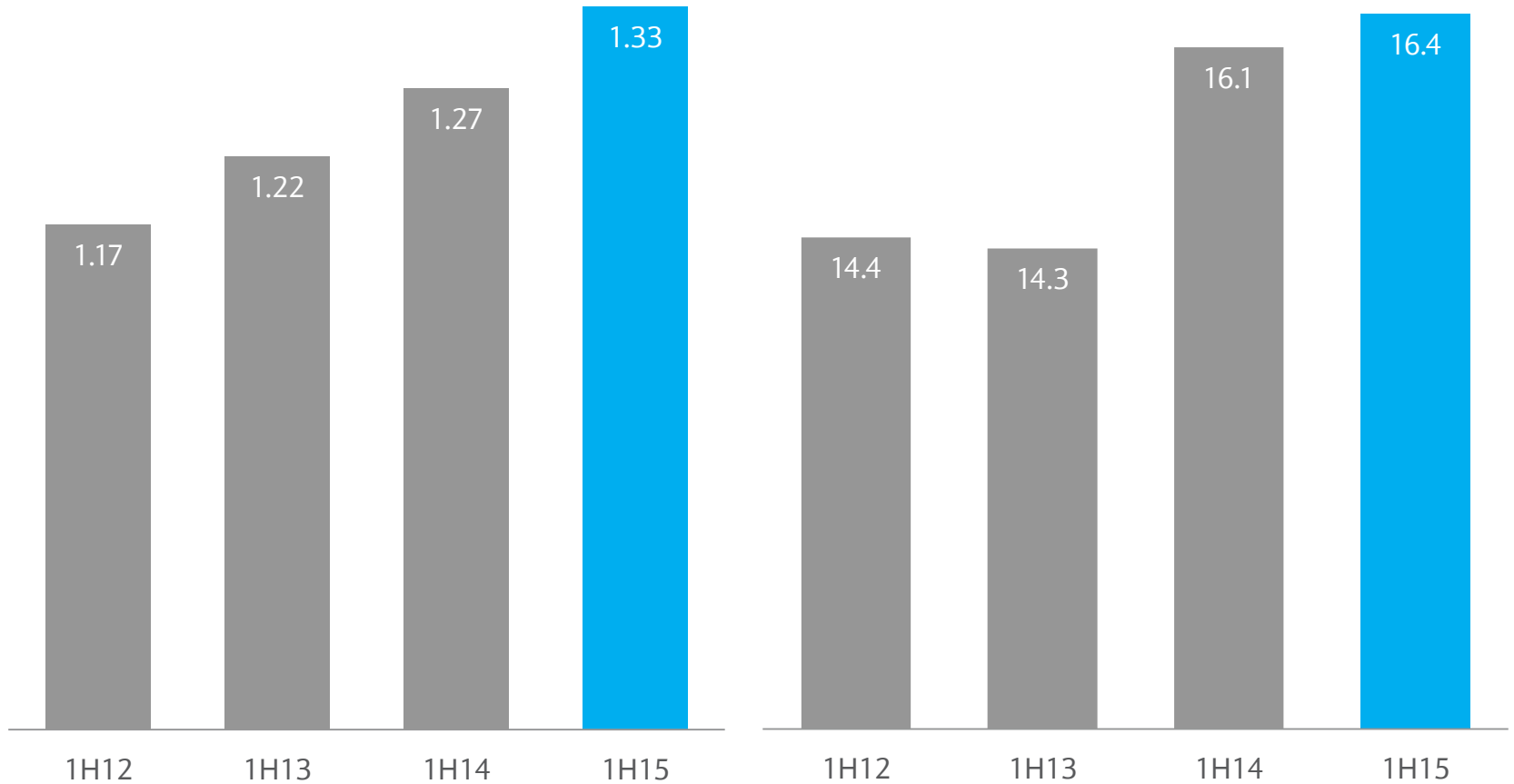
## Barclays Africa Group Common Equity Tier 1 ratio (%)



# Return on assets continues to drive higher RoE

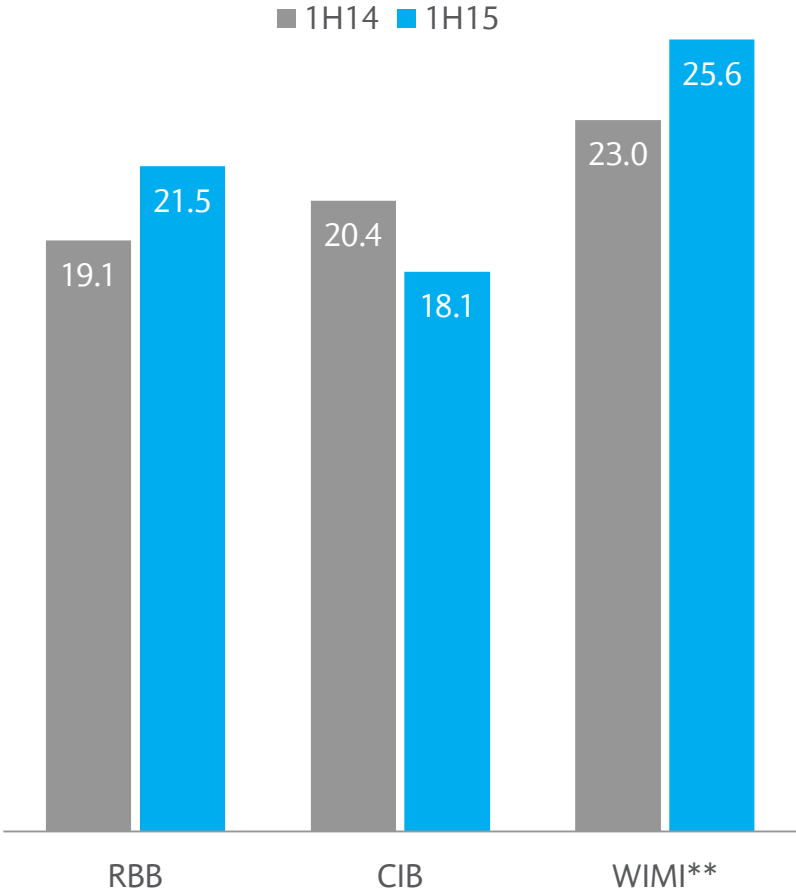
Return on assets (%)

Return on equity (%)

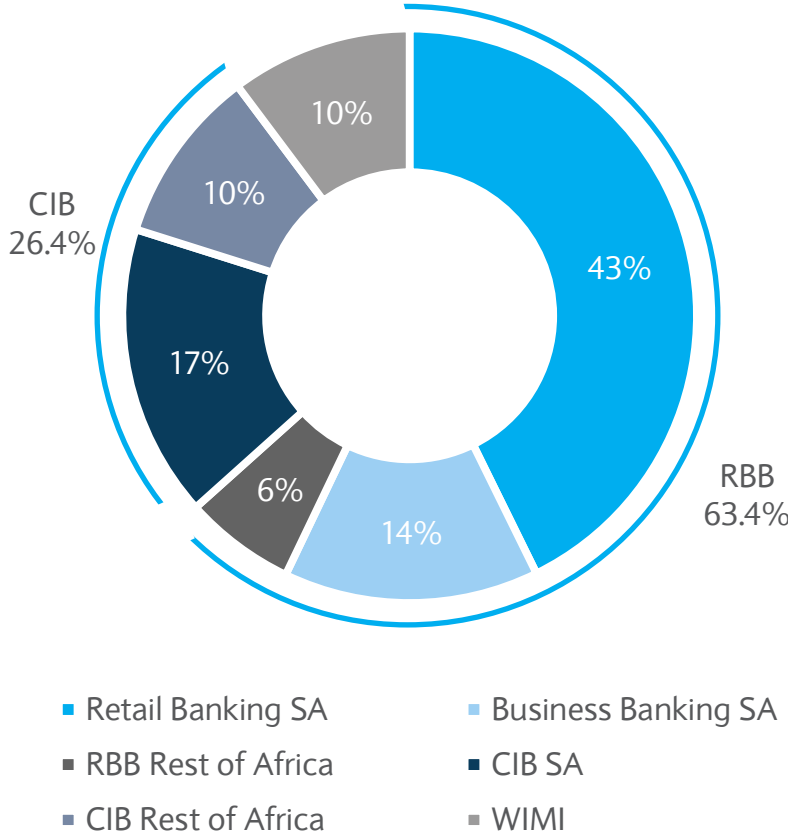


# Strong returns across diversified franchise

Divisional RoRC (%)\*



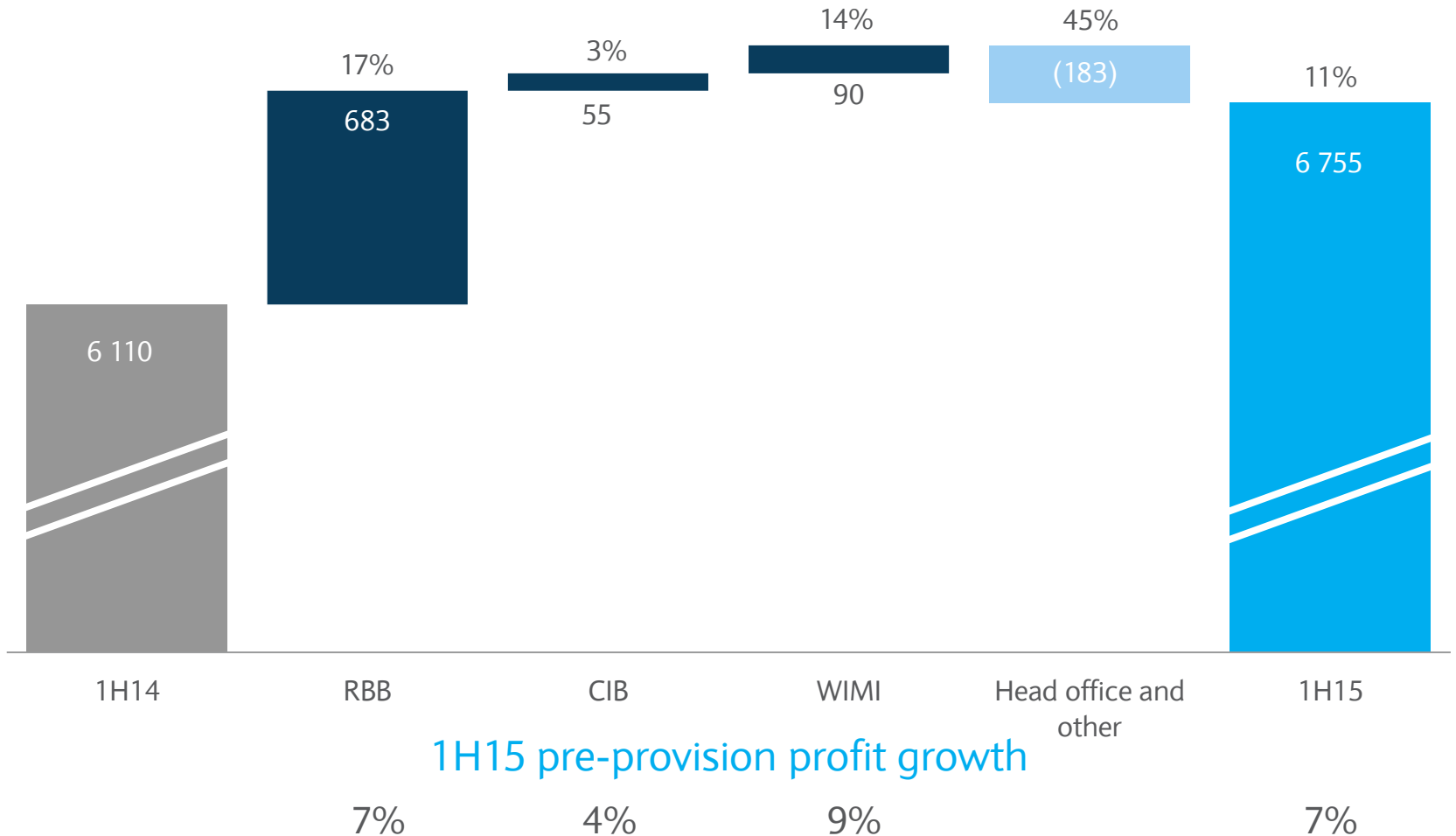
Headline earnings by segment 1H15



Note: \* Return on regulatory capital; \*\*RoE

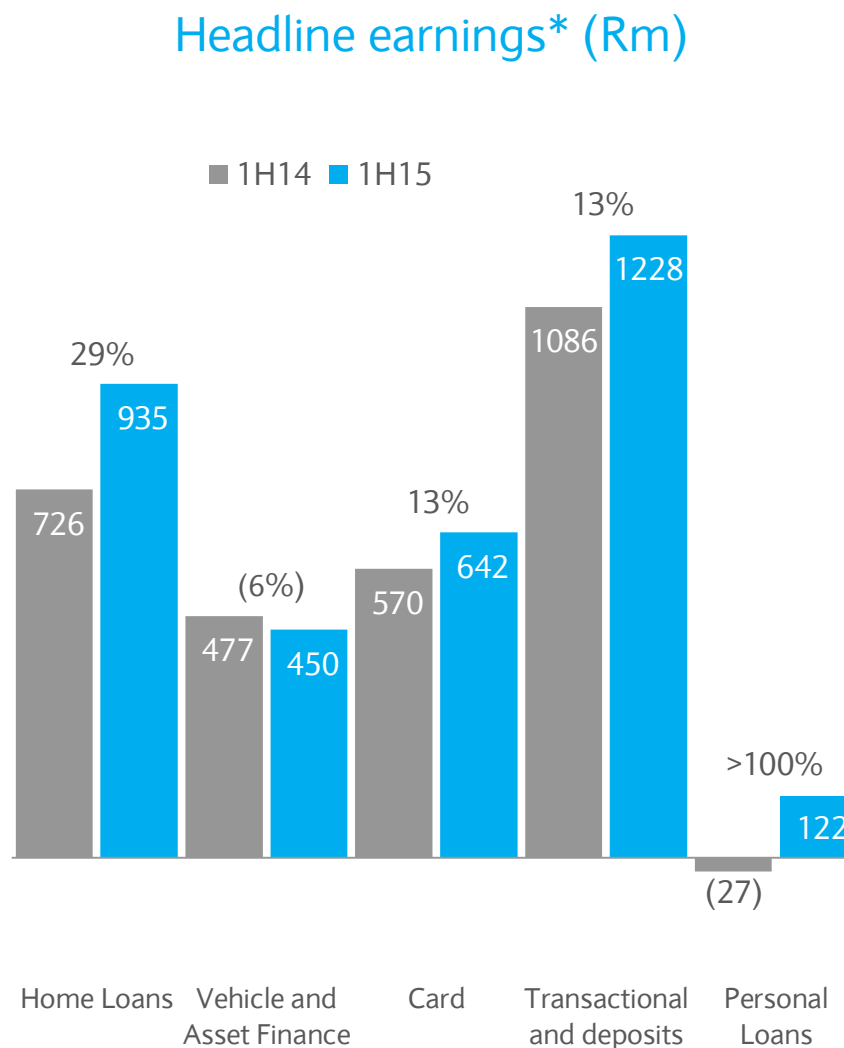
# RBB drove group earnings growth

## Headline earnings growth (Rm)



# Retail Banking SA momentum continues ...

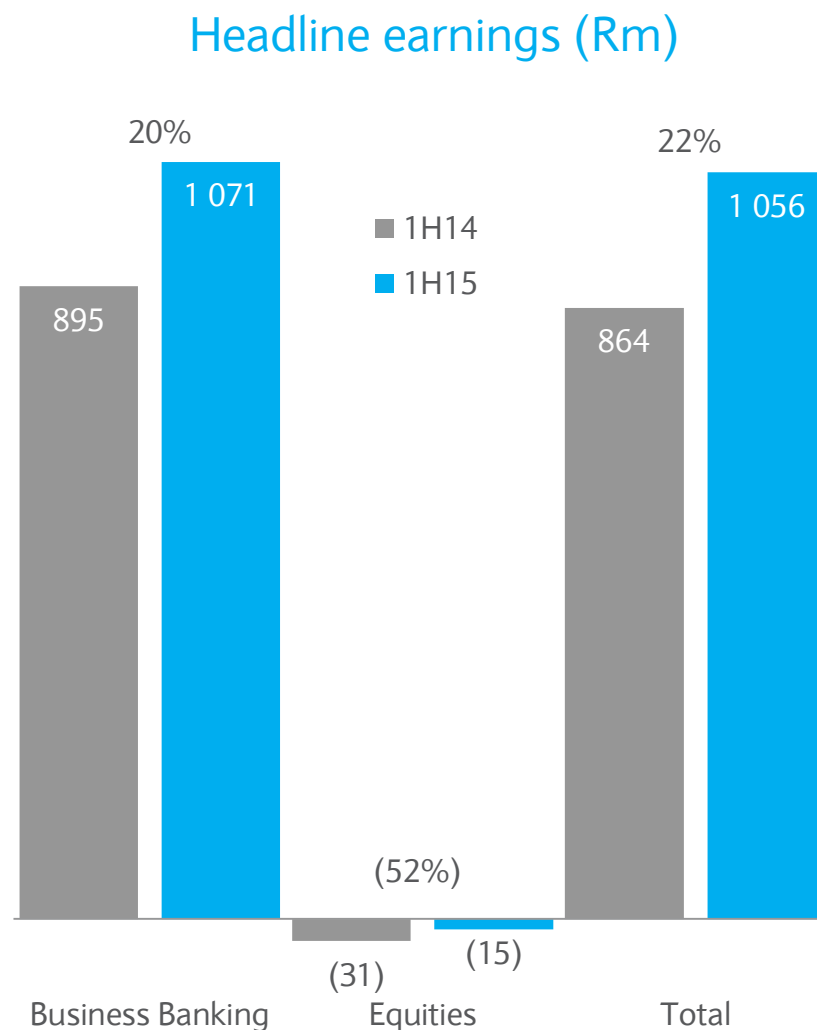
- Solid 1H15 earnings growth
- Sustainable, profitable Home Loans growth
- Strong Vehicle and Asset Finance joint ventures
- Card entrenching leading position
- Growing customer numbers
- Personal Loans focus on low risk existing customers



Note: \* Excludes Other, which is largely central costs and lost R241m

# ... as does Business Banking in SA

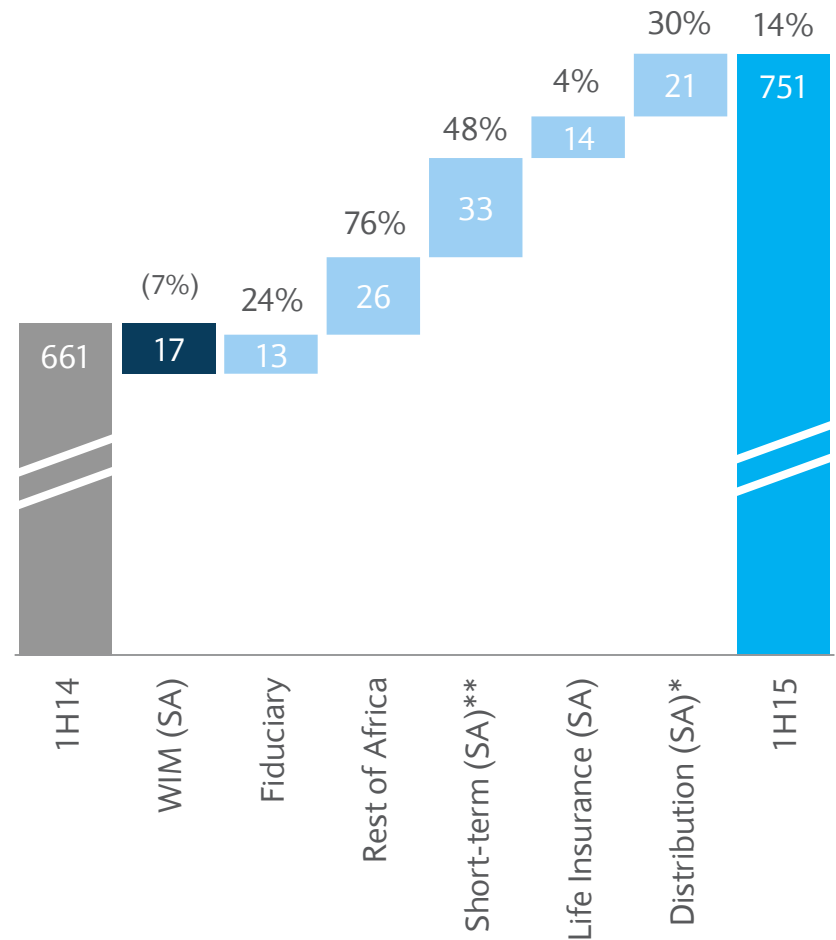
- Strong 1H15 performance
- Generates attractive returns
- Contributes to growth in other divisions
- Investing in growth
- Continued to build portfolio provisions
- Reduced equity portfolio further



# WIMI strategy delivers growth

- RoE improved to 26%
- Strong Short-term Insurance growth
- Rest of Africa expansion continues to generate growth
- Life embedded value of new business down 23%
- Repositioned Investment Management

Change in headline earnings (Rm)

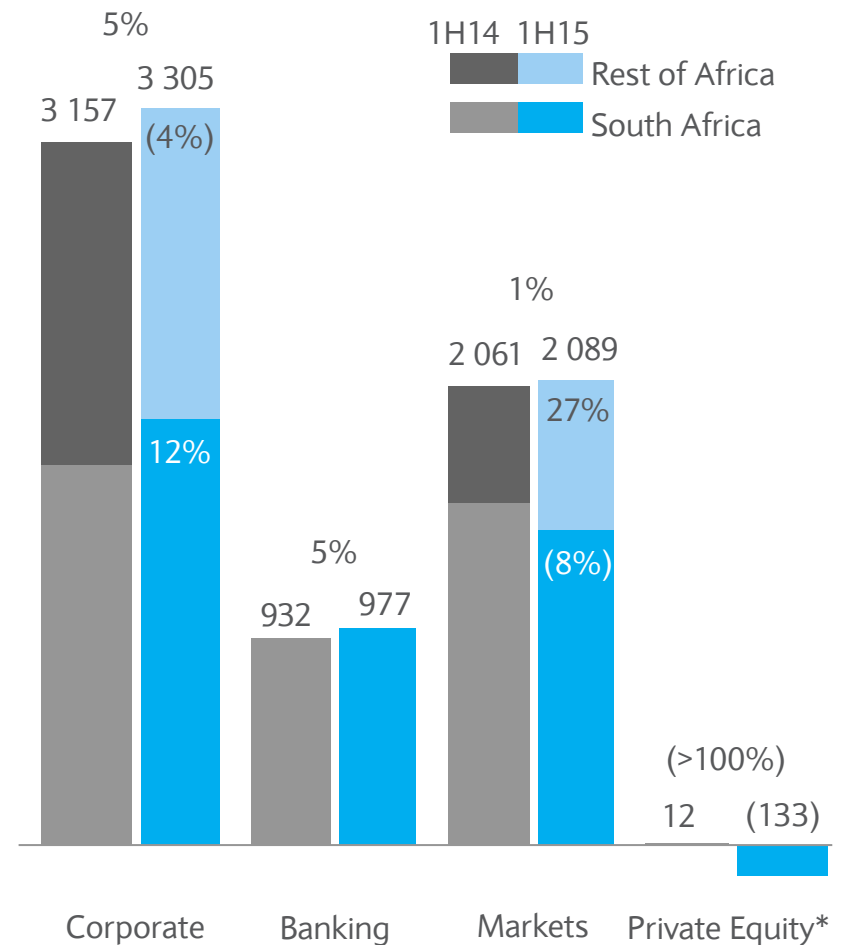


Note: \* Distribution and Other; \*\* Short-term Insurance includes Agri

# All core CIB operations grew net revenue

- Earnings up 9% excluding non-core Private Equity
- Corporate SA strategy gaining traction. Large rest of Africa opportunity
- Strong Rest of Africa Markets growth, while SA benefits from diversifying
- Solid gross Banking revenue growth

Net revenue by business (Rm)

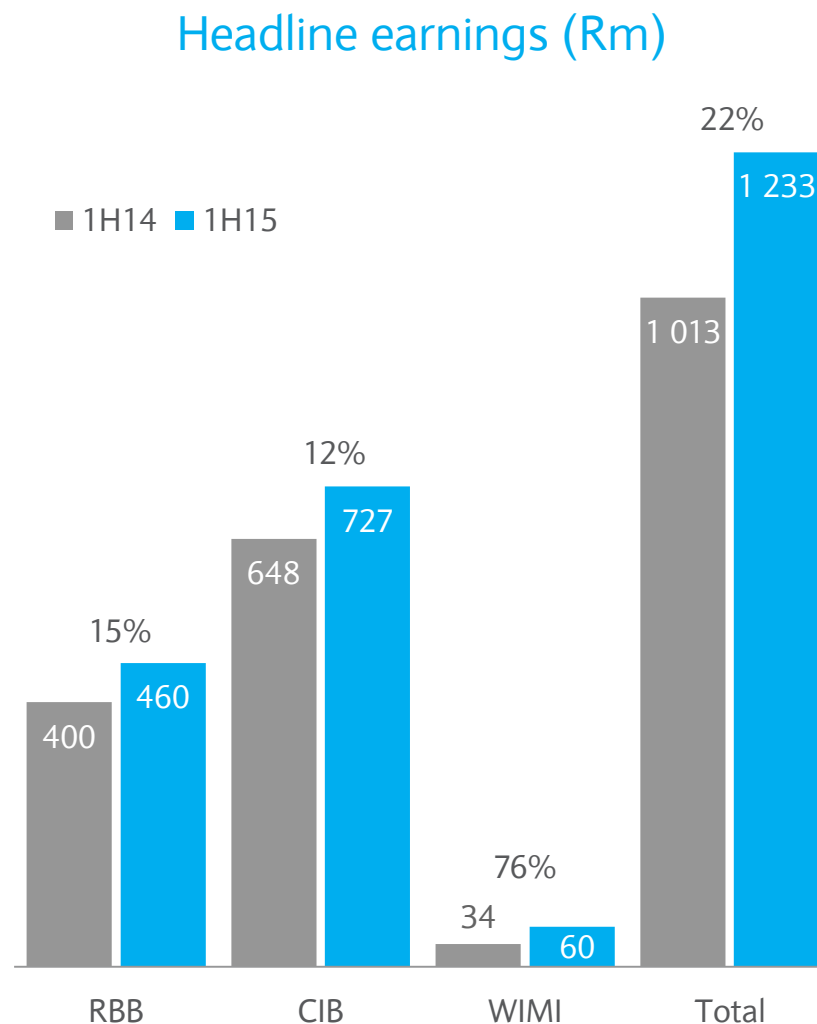


Note: \* Private Equity and Infrastructure Investments



# Strong growth across Rest of Africa portfolio

- Positive JAWs and lower taxation offset higher credit impairments
- Constant currency earnings grew 26%
- Markets drove CIB growth
- WIMI expands into East Africa
- Improving RBB momentum
- Clear path to increase RoE



# Disclaimer

## Forward-looking statements

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