



# Barclays Africa Group Limited

2015 Shareholders information leaflet



Barclays Africa Group

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22 March 2016

Dear Shareholder

**Notice of publication of integrated report and annual financial statements**

Please find enclosed the notice of annual general meeting of Barclays Africa Group Limited, to be held on Tuesday, 17 May 2016 at 11:00.

In accordance with section 31(1) of the Companies Act, 71 of 2008, you are hereby notified that the Barclays Africa Group Limited Integrated Report for 2015 and our full annual financial statements will be available on the Barclays Africa Group website ([www.barclaysafrica.com](http://www.barclaysafrica.com)) from 31 March 2016.

Should you wish to receive a printed copy of the integrated report or the annual financial statements, you may request these from the Barclays Africa Group registered office at the address reflected above, or from [groupsec@barclaysafrica.com](mailto:groupsec@barclaysafrica.com).

**Nadine Drutman**

*Group Company Secretary*

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## Our reporting suite



The notice of annual general meeting forms part of our annual reporting suite. The following reports and fact sheets are available at [barclaysafrica.com](http://barclaysafrica.com) and on our report website at [barclaysafrica2015ar.co.za](http://barclaysafrica2015ar.co.za)

- Integrated Report 2015
  - Annual financial statements
  - Risk management report
  - Financial results booklet
- Supplementary fact sheets:
- Citizenship
  - Broad-Based Black Economic Empowerment (BBBEE) (South Africa)
  - Global Reporting Initiative (GRI) index
  - King III

## Key dates

<b>Final dividend payment date</b>	11 April 2016
<b>Annual general meeting</b>	17 May 2016
<b>Interim results announcement<sup>1</sup></b>	2 August 2016
<b>Interim dividend payment date<sup>1</sup></b>	12 September 2016
<b>Financial year-end</b>	31 December 2016

<sup>1</sup> Subject to change

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## Summary financial results

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## 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 an 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.

#### 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.

### 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 451 m, 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.



## Profit and dividend announcement

for the reporting period ended 31 December

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, 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 75 bps 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.

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## Profit and dividend announcement for the reporting period ended 31 December

### 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

**WE Lucas-Bull**

*Group Chairman*

Johannesburg  
29 February 2016

**M Ramos**

*Chief Executive Officer*

## 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 percent (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

### **NR 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
<b>Statement of comprehensive income (Rm)</b>		
Revenue	67 198	63 125
Operating expenses	37 661	35 848
Profit attributable to ordinary equity holders	14 331	13 216
Headline earnings <sup>1</sup>	14 287	13 032
<b>Statement of financial position</b>		
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
<b>Financial performance (%)</b>		
RoE <sup>2</sup>	17,0	16,7
Return on average assets (RoA) <sup>2</sup>	1,37	1,33
RoRWA <sup>2</sup>	2,18	2,22
Non-performing loans (NPL) ratio	3,88	4,19
<b>Operating performance (%)</b>		
Net interest margin on average interest-bearing assets <sup>2</sup>	4,81	4,65
Credit loss ratio <sup>2</sup>	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
<b>Share statistics (million)</b>		
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
<b>Share statistics (cents)</b>		
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
<b>Capital adequacy (%)</b>		
Barclays Africa Group Limited <sup>2</sup>	14,5	14,4
Absa Bank Limited <sup>2</sup>	13,6	13,7
<b>Common Equity Tier 1 (%)</b>		
Barclays Africa Group Limited <sup>2</sup>	11,9	11,9
Absa Bank Limited <sup>2</sup>	10,3	10,6

<sup>1</sup> After allowing for R321m (31 December 2014: R305m) profit attributable to preference equity holders.

<sup>2</sup> These ratios are unaudited.

## Summary consolidated statement of financial position

as at 31 December

	Note	2015 Rm	2014 <sup>1</sup> Rm	2013 <sup>1</sup> Rm
<b>Assets</b>				
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
<b>Total assets</b>		<b>1 144 604</b>	<b>991 414</b>	<b>962 863</b>
<b>Liabilities</b>				
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
<b>Total liabilities</b>		<b>1 045 957</b>	<b>900 469</b>	<b>877 662</b>
<b>Equity</b>				
<b>Capital and reserves</b>				
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
		<b>89 292</b>	<b>82 690</b>	<b>77 317</b>
Non-controlling interest – ordinary shares		4 711	3 611	3 240
Non-controlling interest – preference shares		4 644	4 644	4 644
<b>Total equity</b>		<b>98 647</b>	<b>90 945</b>	<b>85 201</b>
<b>Total liabilities and equity</b>		<b>1 144 604</b>	<b>991 414</b>	<b>962 863</b>

<sup>1</sup> 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
<b>Total income</b>		<b>67 198</b>	<b>63 125</b>
Impairment losses on loans and advances		(6 920)	(6 290)
<b>Operating income before operating expenditure</b>		<b>60 278</b>	<b>56 835</b>
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
<b>Operating profit before income tax</b>		<b>21 303</b>	<b>19 717</b>
Taxation expense		(5 899)	(5 573)
<b>Profit for the reporting period</b>		<b>15 404</b>	<b>14 144</b>
<b>Profit attributable to:</b>			
Ordinary equity holders		14 331	13 216
Non-controlling interest – ordinary shares		752	623
Non-controlling interest – preference shares		321	305
		<b>15 404</b>	<b>14 144</b>
<b>Earnings per share</b>			
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
<b>Profit for the reporting period</b>	<b>15 404</b>	14 144
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
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)
<b>Items that are or may be subsequently reclassified to profit or loss</b>	<b>888</b>	(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
<b>Total comprehensive income for the reporting period</b>	<b>16 174</b>	13 689
<b>Total comprehensive income attributable to:</b>		
Ordinary equity holders	14 649	12 682
Non-controlling interest – ordinary shares	1 204	702
Non-controlling interest – preference shares	321	305
	<b>16 174</b>	13 689



## Summary consolidated statement of changes in equity

for the reporting period ended 31 December

	Number of ordinary shares '000	Share capital Rm	Share premium <sup>1</sup> Rm	Retained earnings Rm	Total other reserves Rm	General credit risk reserve Rm	Available- for-sale reserve Rm
<b>Balance at the beginning of the reporting period</b>	<b>846 870</b>	<b>1 694</b>	<b>4 548</b>	<b>70 237</b>	<b>6 211</b>	<b>597</b>	<b>912</b>
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 <sup>2</sup>	—	—	—	—	—	—	—
Disposal of interest in subsidiary <sup>3</sup>	—	—	—	(174)	—	—	—
<b>Balance at the end of the reporting period</b>	<b>845 725</b>	<b>1 691</b>	<b>4 250</b>	<b>75 785</b>	<b>7 566</b>	<b>727</b>	<b>560</b>

All movements are reflected net of taxation.

<sup>1</sup> 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.

<sup>2</sup> During the current reporting period the Group acquired a 63% shareholding in First Assurance Holdings Limited.

<sup>3</sup> 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 Rm	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
<b>Balance at the beginning of the reporting period</b>	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)	—	—	—
<b>Balance at the end of the reporting period</b>	846 870	1 694	4 548	70 237	6 211	597	912

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 <sup>1</sup> 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)
<b>Net increase in cash and cash equivalents</b>		<b>4 494</b>	<b>716</b>
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
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2</b>	<b>21 366</b>	<b>16 626</b>

### Notes to the consolidated statement of cash flows

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

Cash, cash balances and balances with central banks <sup>2</sup>	12 903	12 653
Loans and advances to banks <sup>3</sup>	3 723	3 201
	<b>16 626</b>	<b>15 854</b>

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

Cash, cash balances and balances with central banks <sup>2</sup>	12 899	12 903
Loans and advances to banks <sup>3</sup>	8 467	3 723
	<b>21 366</b>	<b>16 626</b>

<sup>1</sup> These numbers have been restated, refer to note 14 for reporting changes.

<sup>2</sup> Includes coins and bank notes.

<sup>3</sup> 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 R1 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
	<b>84</b>	<b>429</b>

### 4. Headline earnings

	2015		2014	
	Gross Rm	Net <sup>1</sup> Rm	Gross Rm	Net <sup>1</sup> 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
<b>Headline earnings/diluted headline earnings</b>		<b>14 287</b>		<b>13 032</b>
<b>Headline earnings per ordinary share (cents)</b>		<b>1 687,2</b>		<b>1 538,4</b>
<b>Diluted headline earnings per ordinary share (cents)</b>		<b>1 686,2</b>		<b>1 537,5</b>

<sup>1</sup> The net amount is reflected after taxation and non-controlling interest.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 5. Dividends per share

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

<sup>1</sup> The dividends paid on treasury shares are calculated on payment date.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

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

#### 6.1. Acquisitions of businesses during the current reporting period (continued)

	First Assurance Holdings	Other 2015	Group
	Fair value recognised on acquisition		
	Rm	Rm	Rm
<b>Consideration at November 2015:</b>			
Cash	370	14	384
<b>Total consideration</b>	<b>370</b>	<b>14</b>	<b>384</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>			
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)
<b>Total identifiable net assets</b>	<b>327</b>	<b>26</b>	<b>353</b>
<b>Total NCI</b>	<b>(121)</b>	<b>(8)</b>	<b>(129)</b>
<b>Goodwill/(bargain purchase)</b>	<b>164</b>	<b>(4)</b>	<b>160</b>
<b>Total</b>	<b>370</b>	<b>14</b>	<b>384</b>

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
<b>Summary of net cash outflow due to acquisitions</b>	<b>384</b>	<b>—</b>

#### 6.2 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%.

#### 6.3 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.



## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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
<b>Authorised capital expenditure</b>		
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.

#### 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
	<b>3 456</b>	<b>3 196</b>

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.

#### Sponsorship payments due

No later than one year	147	282
Later than one year and no later than five years	177	307
	<b>324</b>	<b>589</b>

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

#### 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
	<b>204 040</b>	<b>168 312</b>

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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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 <sup>1</sup> Rm
<b>11.1 Headline earnings contribution by segment</b>		
RBB	9 698	8 525
CIB	3 940	3 734
WIMI	1 464	1 324
Head Office, Treasury and other operations	(815)	(551)
	<b>14 287</b>	<b>13 032</b>

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

<sup>1</sup> 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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 11. Segment reporting (continued)

	2015 Rm	2014 <sup>1</sup> Rm
<b>11.3 Total internal income by segment</b>		
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 <sup>1</sup> Rm
<b>11.4 Total assets by segment</b>		
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 <sup>1</sup> Rm
<b>11.5 Total liabilities by segment</b>		
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

<sup>1</sup> 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.

## Summary notes to the consolidated financial results

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### 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		2014 <sup>1</sup>	
	Carrying value Rm	Fair value Rm	Carrying value Rm	Fair value Rm
<b>Financial assets</b>				
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
<b>Cash, cash balances and balances with central banks</b>	<b>42 532</b>	<b>42 532</b>	<b>34 946</b>	<b>34 946</b>
<b>Investment securities</b>	<b>—</b>	<b>—</b>	<b>110</b>	<b>110</b>
<b>Loans and advances to banks</b>	<b>61 623</b>	<b>61 632</b>	<b>51 702</b>	<b>51 647</b>
<b>Other assets</b>	<b>22 875</b>	<b>22 875</b>	<b>12 835</b>	<b>13 124</b>
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
<b>Loans and advances to customers – net of impairment losses</b>	<b>673 937</b>	<b>672 938</b>	<b>625 431</b>	<b>624 611</b>
<b>Total assets</b>	<b>800 967</b>	<b>799 977</b>	<b>725 024</b>	<b>724 438</b>
<b>Financial liabilities</b>				
<b>Deposits from banks</b>	<b>50 962</b>	<b>50 962</b>	<b>36 476</b>	<b>37 816</b>
<b>Other liabilities</b>	<b>21 398</b>	<b>21 278</b>	<b>16 525</b>	<b>16 532</b>
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
<b>Deposits due to customers</b>	<b>670 620</b>	<b>670 742</b>	<b>605 680</b>	<b>606 485</b>
<b>Debt securities in issue</b>	<b>122 436</b>	<b>119 859</b>	<b>100 986</b>	<b>101 351</b>
<b>Borrowed funds</b>	<b>13 151</b>	<b>13 520</b>	<b>11 208</b>	<b>11 559</b>
<b>Total liabilities</b>	<b>878 567</b>	<b>876 361</b>	<b>770 875</b>	<b>773 743</b>

<sup>1</sup> 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.

## Summary notes to the consolidated financial results

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### 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 valuers. 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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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 <sup>1</sup>			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
<b>Financial assets</b>								
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
<b>Total financial assets</b>	<b>120 497</b>	<b>179 494</b>	<b>15 029</b>	<b>315 020</b>	<b>111 412</b>	<b>119 282</b>	<b>12 378</b>	<b>243 072</b>
<b>Financial liabilities</b>								
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
<b>Total financial liabilities</b>	<b>4 025</b>	<b>147 788</b>	<b>3 410</b>	<b>155 223</b>	<b>8 187</b>	<b>99 389</b>	<b>8 942</b>	<b>116 518</b>
<b>Non-financial assets</b>								
Commodity	2 005	—	—	2 005	1 701	—	—	1 701
Investment properties	—	—	1 264	1 264	—	—	727	727
<b>Non-recurring fair value measurements</b>								
Non-current assets held for sale <sup>2</sup>	—	—	1 700	1 700	—	—	972	972
Non-current liabilities held for sale <sup>2</sup>	—	—	233	233	—	—	372	372

<sup>1</sup> These numbers have been restated, refer to note 14 for reporting changes.

<sup>2</sup> Includes certain items classified in terms of the requirements of IFRS 5 which are measured in terms of their respective standards.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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
<b>Cash, cash balances and balances with central banks</b>	Discounted cash flow models	Underlying price of market traded instruments and/or interest rates
<b>Loans and advances to banks</b>	Discounted cash flow models	Interest rate and/or money market curves
<b>Trading and hedging portfolio assets and liabilities</b>		
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
<b>Loans and advances to customers</b>	Discounted cash flow models	Interest rate and/or money market curves
<b>Investment securities and investments linked to investment contracts</b>	Listed equity: market bid price. Other items: discounted cash flow models	Underlying price of the market traded instrument, interest rate curves
<b>Deposits from banks</b>	Discounted cash flow models	Interest rate curves and/or money market curves
<b>Deposits due to customers</b>	Discounted cash flow models	Interest rate curves and/or money market curves
<b>Debt securities in issue and other liabilities</b>	Discounted cash flow models	Underlying price of the market traded instrument and/or interest rate curves



## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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	Other assets	Loans and advances to customers	Loans and advances to banks	Investment securities	Investment properties	Investments linked to investment contracts	Total assets at fair value
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
<b>Opening balance at the beginning of the reporting period</b>	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	—	—	—	—	—	—	—	—
<b>Closing balance at the end of the reporting period</b>	<b>1 418</b>	<b>25</b>	<b>7 511</b>	<b>2 109</b>	<b>3 966</b>	<b>1 264</b>	<b>—</b>	<b>16 293</b>

	2014							
	Trading and hedging portfolio assets	Other assets	Loans and advances to customers	Investment securities <sup>1</sup>	Investment properties	Investments linked to investment contracts	Total assets at fair value	
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	
<b>Opening balance at the beginning of the reporting period</b>	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 <sup>2</sup>	—	—	—	—	(376)	—	(376)	
Movement in/(out of) Level 3	(22)	—	—	16	—	—	(6)	
<b>Closing balance at the end of the reporting period</b>	<b>1 162</b>	<b>17</b>	<b>4 731</b>	<b>6 467</b>	<b>727</b>	<b>1</b>	<b>13 105</b>	

<sup>1</sup> These numbers have been restated, refer to note 14 for reporting changes.

<sup>2</sup> Transfer to non-current assets held for sale.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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
<b>Opening balance at the beginning of the reporting period</b>	—	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)
<b>Closing balance at the end of the reporting period</b>	<b>7</b>	<b>217</b>	<b>5</b>	<b>2 557</b>	<b>624</b>	<b>—</b>	<b>3 410</b>

  

	2014						
	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
<b>Opening balance at the beginning of the reporting period</b>	—	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)
<b>Closing balance at the end of the reporting period</b>	<b>—</b>	<b>320</b>	<b>28</b>	<b>5 530</b>	<b>42</b>	<b>3 022</b>	<b>8 942</b>

#### 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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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						Total assets at fair value Rm
	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	
Gains and losses from banking and trading activities	96	—	(28)	48	—	—	116

	2014						Total assets at fair value Rm
	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	
Gains and losses from banking and trading activities	79	—	(28)	—	—	—	51

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

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

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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:

	Significant unobservable parameters	2015	
		Potential effect recorded in profit or loss	Potential effect recorded directly in equity
		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	—/—	—/—
		<b>357/368</b>	<b>—/—</b>

	Significant unobservable parameters	2014	
		Potential effect recorded in profit or loss	Potential effect recorded directly in equity
		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	—/—
		<b>1 774/214</b>	<b>—/—</b>

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

### 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
<b>Loans and advances to customers</b>	Discounted cash flow and/or dividend yield models	Credit spreads	<b>0,96% to 3,99%</b>	0,96% to 3,99%
<b>Investment securities and investments linked to investment contracts</b>	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	<b>Discount rates between 8% and 11,5%, comparator multiples between 5 and 10,5</b>	Discount rates between 9,7% and 17,9%, comparator multiples between 5,5 and 6
<b>Trading and hedging portfolio assets and liabilities</b>				
Debt instruments	Discounted cash flow models	Credit spreads	<b>0,9% to 3,5%</b>	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	<b>0,0% to 23,64%</b>	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)	<b>17,82% to 67,71%</b>	18,16% to 48,20%
Foreign exchange derivatives	Discounted cash flow and/or option pricing models	African basis curves (greater than 1 year)	<b>(10,00%) to 10,50%</b>	(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	<b>0,58% to 4,24%</b>	(1,56%) to 10,04%
<b>Deposits due to customers</b>	Discounted cash flow models	Barclays Africa Group Limited's funding spreads (greater than 5 years)	<b>1,52% to 2,15%</b>	0,85% to 1,2%
<b>Debt securities in issue</b>	Discounted cash flow models	Funding curves (greater than 5 years)	<b>(0,20%) to 3,35%</b>	1,28% to 1,38%
<b>Investment properties</b>	Discounted cash flow models	Estimates of periods in which rental units will be disposed of	<b>1 to 7 years</b>	2 to 7 years
		Annual selling price escalations	<b>0% to 6%</b>	0% to 6%
		Annual rental escalations	<b>0% to 10%</b>	0% to 10%
		Expense ratios	<b>26% to 51%</b>	22% to 75%
		Vacancy ratio	<b>1% to 18%</b>	2% to 15%
		Income capitalisation rates	<b>8% to 12%</b>	10% to 12%
		Risk adjusted discount rates	<b>13% to 14%</b>	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.

## Summary notes to the consolidated financial results

for the reporting period ended 31 December

### 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
<b>Closing balance at the end of the reporting period</b>	<b>(105)</b>	<b>(52)</b>

#### 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 <sup>1</sup>	Internal reclassifications Rm	Restated Rm
<b>Assets</b>			
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 <sup>1</sup>	Internal reclassifications Rm	Restated Rm
<b>Assets</b>			
Cash, cash balances and balances with central banks	50 130	(14 032)	36 098
Investment securities	79 004	14 032	93 036

<sup>1</sup> As per published financial results for 31 December 2014.

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## Notice of annual general meeting

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## Notice of annual general meeting

**Barclays Africa Group Limited** (Incorporated in the Republic of South Africa)  
Registration number: 1986/003934/06  
(the Company or Barclays Africa or the Group)  
JSE share code: BGA  
ISIN: ZAE0000174124

**Record date** 6 May 2016

**Details** Notice is hereby given that the 30th (thirtieth) annual general meeting (AGM) of ordinary shareholders will be held in Boardroom 8.02, Barclays Towers West, 15 Troye Street, Johannesburg on Tuesday, 17 May 2016 at 11:00 to consider, and if deemed fit, pass the ordinary and special resolutions set out in this notice.

## Agenda

### Ordinary resolutions

#### 1. *Presentation of the annual financial statements*

Resolved to consider and endorse the Company's audited annual financial statements, including the reports of the directors, Audit Committee and auditors, for the year ended 31 December 2015.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 2. *Appointment of the auditors*

Resolved to re-appoint the following firms as external auditors of the Company until the close of reporting for the year ended 31 December 2016:

- 2.1 PricewaterhouseCoopers Inc. (with Keith Ackerman as designated auditor)
- 2.2 Ernst & Young Inc. (with Emilio Pera as designated auditor)

Resolved to appoint the following as external auditors of the Company with effect from the reporting period commencing 1 January 2017 and until the next AGM in 2018:

- 2.3 KPMG Inc. (with Pierre Fourie as designated auditor)
- 2.4 Ernst & Young Inc. (with Ernest van Rooyen as designated auditor)

##### Motivation

- Resolution 2.1 deals with the re-appointment of PricewaterhouseCoopers Inc. for the 2016 year, with Keith Ackerman in John Bennett's stead as PwC's designated auditor, having regard to the five-year rotation requirements of the Companies Act, No 71 of 2008 (as amended) (Companies Act).
- Resolution 2.2 deals with the re-appointment of Ernst & Young Inc. for the 2016 year, with Emilio Pera as designated auditor for Ernst & Young Inc.
- Resolution 2.3 deals with the appointment of KPMG Inc. with Pierre Fourie as KPMG Inc.'s designated auditor with effect from 2017.
- Resolution 2.4 deals with the re-appointment of Ernst & Young Inc. with Ernest van Rooyen in Emilio Pera's stead as Ernst & Young's designated auditor, having regard to the five-year rotation requirements of the Companies Act.

The Group Audit and Compliance Committee recommended and the Board endorsed the above re-appointments and appointments.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 3. *Re-election of retiring directors*

Resolved that the directors stipulated below in 3.1 to 3.5 who are eligible for re-election and who have offered themselves for re-election, are hereby re-appointed as directors of the Company with immediate effect.

- 3.1 Yolanda Cuba (profile page 45)
- 3.2 Mohamed Husain (profile page 45)
- 3.3 Trevor Munday (profile page 45)
- 3.4 Mark Merson (profile page 44)
- 3.5 David Hodnett (profile page 44)

##### Motivation

The Company's Memorandum of Incorporation requires one-third of the directors to retire at each AGM. The Board recommends to the shareholders the re-election of the directors mentioned above. These directors are eligible, and have offered themselves for re-election. Furthermore, Yolanda Cuba is in her ninth year as director and will accordingly offer herself for re-election on an annual basis. Although Trevor Munday is in his ninth year as director (as from April 2016), he will only be offering himself for re-election at this AGM and will be retiring from the Board in the second half of 2016.

Based on the external Board evaluation (including a peer review) that was conducted during December 2015 and January 2016, the Directors' Affairs Committee supports the re-election of each of the directors listed above.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 4. Confirmation of appointment of a director

Resolved that the appointment of Paul O'Flaherty as director of the Company with effect from 1 February 2016 is hereby confirmed.

##### Motivation

In terms of the Company's Memorandum of Incorporation, the appointment by the Board of directors or any persons as directors of the Company during the year after the last AGM requires confirmation by shareholders at the first AGM of the Company following the appointment of such persons. Paul O'Flaherty was appointed as director of the Company subsequent to the last AGM. The Board recommends to shareholders that his appointment be confirmed.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 5. Re-election and election of Group Audit and Compliance Committee members

Resolved to re-elect by way of separate vote, the four directors referred to in 5.1 to 5.4 below as members of the Group Audit and Compliance Committee and, following his confirmation in terms of resolution 4 above, to elect the director referred to in 5.5 as a new member of the Committee. They have been nominated in terms of section 94(2) of the Companies Act.

- 5.1. Colin Beggs (profile page 44)
- 5.2. Mohamed Husain (profile page 45)
- 5.3. Trevor Munday (profile page 45)
- 5.4. Alex Darko (profile page 44)
- 5.5. Paul O'Flaherty (profile page 45)

##### Motivation

The Board has reviewed the composition of the Group Audit and Compliance Committee against the requirements of the Companies Act and the Banks Act, No 94 of 1990 (as amended) and the Regulations under both Acts, and has confirmed that such committee will comply with the relevant requirements and have the necessary knowledge, skills and experience to enable it to perform its duties in terms of these Acts. It therefore recommends to the shareholders the re-election of the members in 5.1 to 5.5.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 6. Placing of the authorised but unissued ordinary share capital under the control of the directors

Resolved that the authorised but unissued ordinary shares of the Company (other than those specifically identified and authorised for issue in terms of any other authority by shareholders) are hereby placed under the control of the directors, subject to any applicable legislation and the JSE Listings Requirements and any other stock exchange upon which ordinary shares in the capital of the Company may be quoted or listed from time to time.

The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to the lower of 5% (five percent) of the number of ordinary shares in issue as at 31 December 2015 and the maximum number of authorised but unissued ordinary shares from time to time.

##### Motivation

In terms of the Company's Memorandum of Incorporation, the members of the Company have to approve the placement of the unissued ordinary shares under the control of the directors. The directors have decided to seek annual renewal of this authority, in accordance with best practice. The directors have no current plans to make use of this authority, but are seeking its renewal to ensure that the Company has maximum flexibility in managing the Group's capital resources.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

#### 7. Non-binding vote on the Company's remuneration policy

Resolved to endorse, on a non-binding advisory basis, the Company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of Board committees).

##### Motivation

King III recommends that the remuneration policy be tabled to shareholders for a non-binding vote at each AGM. The Company's remuneration policy appears in the remuneration report on page 80 of the integrated report.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote**

## Special resolutions

### 8. Remuneration of non-executive directors

Resolved to approve the proposed remuneration to be payable to non-executive directors for the period 1 May 2016, to and including the last day of the month preceding the date of the next AGM thereafter, as set out in the table below:

Fee structure for the period	1 May 2015 – 30 April 2016 R	1 May 2016 – 30 April 2017 R	YoY change %
Board Chairman <sup>1</sup>	5 056 200	5 384 850	6.5
Board member <sup>2</sup>	466 294	496 600	6.5
Group Audit and Compliance Committee (GACC) member <sup>3</sup>	262 350	279 400	6.5
Group Risk and Capital Management Committee (GRCMC) member <sup>3</sup>	257 580	274 320	6.5
Group Remuneration and Human Resources Committee (GRHRC) member <sup>3</sup>	148 500	163 350	10
Directors' Affairs Committee (DAC) member <sup>3</sup>	95 506	101 710	6.5
Concentration Risk Committee (CoRC) member <sup>4</sup>	84 270	89 750	6.5
	2 162 per facility reviewed	2 770 per facility reviewed	28
Social and Ethics Committee (SEC) member <sup>4</sup>	104 940	111 760	6.5
Disclosure Committee (DC) member <sup>4</sup>	75 843	80 770	6.5
Information Technology Committee (ITC) member <sup>4</sup>	87 450	111 760	28
Board Finance Committee (BFC) member <sup>4</sup>	18 652 per meeting	19 860 per meeting	6.5
Special Board meeting	32 023 per meeting	32 020 per meeting	–
Special ( <i>ad hoc</i> ) Board Committee and sub-committee meetings	19 663 per meeting	19 860 per meeting	1
Consultancy work	4 382 per hour	4 380 per hour	–

<sup>1</sup> The Group Chairman's fee covers chairmanship and membership of all Board committees and sub-committees.

<sup>2</sup> Executive directors of the Company do not receive fees as members of the Company Board.

<sup>3</sup> The GACC, GRCMC and GRHRC chairmen receive fees equal to two-and-a-half times (2.5x) the fee payable to a GACC, GRCMC and GRHRC member.

<sup>4</sup> The chairmen of Board committees and sub-committees other than the GACC, GRCMC and GRHRC receive fees equal to twice the fee payable to members of these committees.

Full particulars of all remuneration and benefits for the past year, as well as the process followed by the Directors' Affairs Committee in recommending such director remuneration and benefits, are contained on page 93 of the Barclays Africa 2015 Integrated Report.

#### Motivation

The reason for the passing of this special resolution is to comply with the provisions of the Companies Act. If approved by the shareholders at the AGM, the fees as set out in the table above would be payable to non-executive directors until the next AGM.

**Percentage of voting rights required to pass this resolution: 75%**

### 9. General repurchases

Resolved that the Company or any subsidiary of the Company, subject to the Companies Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements and any other stock exchange upon which the securities in the capital of the Company may be quoted or listed from time to time, repurchase ordinary shares issued by the Company, provided that this authority shall be valid only until the date of the next AGM of the Company or for 15 (fifteen) months from the date of the resolution, whichever is the earlier, and may be varied by a special resolution at any general meeting of the Company at any time prior to the AGM.

Pursuant to the above and as required in terms of the JSE Listings Requirements, the following additional information is submitted:

It is recorded that the Company or any subsidiary of the Company may only make a general repurchase of ordinary shares if:

- the repurchase of ordinary shares is effected through the order book operated by the JSE trading system and is done without any prior understanding or arrangement between the Company or the relevant subsidiary and the counterparty;
- the Company or the relevant subsidiary is authorised thereto by its Memorandum of Incorporation;
- the Company or the relevant subsidiary is authorised thereto by its shareholders in terms of a special resolution of the Company or the relevant subsidiary in general meeting, which authorisation shall be valid only until the date of the next AGM or for 15 (fifteen) months from the date of the resolution, whichever is the shorter;
- repurchases are made at a price no greater than 10% (ten percent) above the volume weighted average of the market value for the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- at any point in time, the Company or the relevant subsidiary may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or the relevant subsidiary does not repurchase securities during a prohibited period defined in terms of the JSE Listings Requirements, unless it has a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;

- a paid press announcement containing full details of such repurchases is published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of securities in issue prior to the repurchases and for each 3% (three percent), on a cumulative basis, thereafter;
- the general repurchase of any ordinary shares is (notwithstanding the 20% (twenty percent) limit in the JSE Listings Requirements) limited to a maximum of 10% (ten percent) of the Company's issued ordinary share capital in any one financial year; and
- the Board acknowledges by resolution that the Company will satisfy the solvency and liquidity test immediately after the repurchase and that since the test was done there have been no material changes to the financial position of the Company and the Group.

After having considered the effect of any repurchases of ordinary shares pursuant to this general authority, the directors of the Company, in terms of the Companies Act and the JSE Listings Requirements, confirm that they will not undertake such repurchase of ordinary shares unless:

- the Company and the Group would be able to repay their debts in the ordinary course of business for the period of 12 (twelve) months after the date of the notice of the AGM;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards and the Company's accounting policies used in the latest audited Group financial statements, will be in excess of the liabilities of the Company and the Group for the period of 12 (twelve) months after the date of the notice of the AGM;
- the Company and the Group will have adequate capital and reserves for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM.

For the purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information is either listed below or has been included in the integrated report:

- Directors and management – refer to pages 14 and 15 of the integrated report.
- Major shareholders – refer to pages 95 and 96 of the integrated report.
- Material changes – there have been no material changes in the financial or trading position of the Company and its subsidiaries since 31 December 2015.
- Directors' interests in securities – refer to page 96 of the integrated report.
- Share capital of the Company – refer to page 10 of the annual financial statements.
- The directors, whose names are set out on page 14 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information contained in this notice and accompanying documents and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries in this regard, and further that this notice contains all information required by law and the JSE Listings Requirements.
- There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may or have had a material effect on the Company's financial position over the 12 (twelve) months preceding the date of this notice of AGM.

#### **Motivation**

The Company's Memorandum of Incorporation contains a provision allowing the Company or any subsidiary of the Company to repurchase securities issued by the Company. This is subject to the approval of the members in terms of the Company's Memorandum of Incorporation, the Companies Act, the Banks Act and the JSE Listings Requirements. The existing general authority, granted by members at the previous AGM on 19 May 2015, is due to expire, unless renewed.

The directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

The proposed general authority would enable the Company or any subsidiary of the Company to repurchase up to a maximum of 84 775 067 (eighty-four million seven hundred and seventy-five thousand and sixty-seven) ordinary shares (10% (ten percent)) of 847 750 679 (eight hundred and forty-seven million seven hundred and fifty thousand six hundred and seventy-nine) ordinary shares in issue as at 31 December 2015, with a stated upper limit on the price payable, which reflects the JSE Listings Requirements.

The reason for the passing of the special resolution is to enable the Company or any of its subsidiaries, by way of a general authority from shareholders, to repurchase ordinary shares issued by the Company.

The effect of the special resolution will be to permit the Company or any of its subsidiaries to repurchase such ordinary shares in terms of the Companies Act. This authority will only be used if circumstances are appropriate.

**Percentage of voting rights required to pass this resolution: 75%**

## 10. Financial assistance to a related or inter-related company

Resolved that the Company be and is hereby authorised, in terms of a general authority contemplated in section 45(3)(a)(ii) of the Companies Act for a period of two years from the date of this resolution, to provide direct or indirect financial assistance (as defined in section 45(1) of the Companies Act) (Financial Assistance) to the following categories of persons (Categories of Persons):

- (a) related or inter-related company or corporation; and/or
- (b) member of a related or inter-related corporation;

subject to, in relation to each grant of Financial Assistance to the Categories of Persons of such Financial Assistance, the Board of directors of the Company being satisfied that:

- (i) pursuant to section 45(3)(b)(i) of the Companies Act, immediately after providing the Financial Assistance, the Company would satisfy the solvency and liquidity test (as defined in section 4(1) of the Companies Act);
- (ii) pursuant to section 45(3)(b)(ii) of the Companies Act, the terms under which the Financial Assistance is proposed to be given are fair and reasonable to the Company; and
- (iii) any conditions or restrictions in respect of the granting of the Financial Assistance set out in the Company's Memorandum of Incorporation have been complied with.

### Motivation

Section 45 of the Companies Act regulates the provision of Financial Assistance by the Company to certain categories of persons. The term Financial Assistance has been defined in the Companies Act in wide terms and includes lending money, guaranteeing a loan or obligation, and securing any debt or obligation but excludes lending money in the ordinary course of business by a company whose primary business is the lending of money.

The Companies Act stipulates that the Board of directors of the Company may provide Financial Assistance as contemplated in section 45 of the Companies Act to the Categories of Persons, provided that the shareholders of the Company passed a special resolution within the previous two years which approves such Financial Assistance generally for such Categories of Persons.

The effect is that this will allow the Board of the Company, always subject to applicable law in particular the solvency and liquidity requirements as set out in the Companies Act, to provide Financial Assistance to the said Categories of Persons.

**Percentage of voting rights required to pass this resolution: 75%**

## Proxy and voting procedures

Shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration are entitled to attend or vote at the AGM and are entitled to appoint a proxy to attend, speak and vote in their stead. The person so appointed need not be a member of the Company.

Certificated shareholders or dematerialised shareholders with own name registration who are unable to attend the AGM but wish to be represented thereat must complete the proxy form enclosed.

To be effective, proxy forms should be delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg, 2001 or be posted to PO Box 61051, Marshalltown, 2107 so as to reach this address no later than 11:00 on Thursday, 12 May 2016.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with own name registration, should contact their participant (formerly Central Securities Depository Participant) or their stockbroker:

- to furnish their participant or stockbroker with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary letter of representation.

Meeting attendees will be required to provide satisfactory identification before being allowed to participate in the meeting.

By order of the Board

**Nadine Drutman**

*Group Company Secretary*

Johannesburg  
22 March 2016

## Important notes about the annual general meeting

<b>Date</b>	Tuesday, 17 May 2016 at 11:00.
<b>Venue</b>	Boardroom 8.02, Barclays Towers West, 15 Troye Street, Johannesburg.
<b>Time</b>	The AGM will start promptly at 11:00. Shareholders wishing to attend are advised to be in the Boardroom no later than 10:45. Reception staff at the Barclays Towers West complex will direct shareholders to the AGM venue. Refreshments will be served after the AGM.
<b>Admission</b>	Shareholders, representatives of shareholders and proxies attending the AGM are requested to register at the registration desk in the reception area at the venue. Proof of identity may be required for registration purposes.
<b>Security</b>	Secure parking is provided at the venue by prior arrangement. Attendees are requested not to bring cameras, laptop computers or tape recorders. Cellular telephones should be switched off for the duration of the proceedings.

### 1. General

Shareholders wishing to attend the AGM must ensure with the Company's transfer secretaries that their shares are in fact registered in their name. Should the shares be registered in any other name or in the name of a nominee company, it is the shareholder's responsibility to make the necessary arrangements with that party in whose name the shares are registered to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

### 2. Certificated shareholders and dematerialised shareholders with "own name" registration

If you are the registered holder of certificated Barclays Africa Group Limited ordinary shares or hold dematerialised Barclays Africa Group Limited ordinary shares in your own name and you are unable to attend the AGM but wish to be represented at the AGM or, if you wish to participate via electronic communication, you must complete and return the attached form of proxy to the transfer secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 12 May.

Shareholders wishing to participate in the AGM via electronic communication are requested to deliver written notice to the registered office of the Company, at 7th Floor, Barclays Towers West, 15 Troye Street, Johannesburg (attention Nadine Drutman, Group Company Secretary) by no later than 11:00 on Thursday, 12 May 2016.

For the notice to be valid, it must contain:

- if the shareholder is an individual, a certified copy of his/her identity document and/or passport; or
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the general meeting via electronic communication; and
- a valid email address and/or facsimile number.

By no later than 11:00 on Friday, 13 May 2016, the Company shall with reasonable efforts notify a shareholder, who has delivered a valid notice, at the contact address/number of the relevant details through which the shareholder can participate.

Shareholders participating via electronic communication will not be able to vote at the AGM, and will be required to submit a proxy form to vote.

### 3. Dematerialised shareholders

If you are the holder of dematerialised Barclays Africa Group Limited ordinary shares, but not the holder of dematerialised ordinary shares in your own name, you must timeously provide your participant or stockbroker with your voting instructions for the AGM in terms of the custody agreement entered into with your participant or stockbroker. If you wish to attend the AGM in person, then you must request your participant or stockbroker timeously to provide you with the necessary letter of representation to attend and vote your shares.

### 4. Proxies

Shareholders must ensure that their proxy forms reach the transfer secretaries as indicated in note 2 above by no later than 11:00 on Thursday, 12 May 2016.

### 5. Enquiries

Any shareholder having queries regarding the AGM or the above may contact the Group Company Secretary, Nadine Drutman, on +27 (0)11 350 5347.

### 6. Results of the AGM

The results of the meeting will be posted on SENS as soon as practicably possible after the AGM.

## Directors' profiles

### Committees

<b>DAC</b>	Directors' Affairs Committee
<b>GACC</b>	Group Audit and Compliance Committee
<b>GRCMC</b>	Group Risk and Capital Management Committee
<b>MC</b>	Models Committee
<b>BFC</b>	Board Finance Committee
<b>CoRC</b>	Concentration Risk Committee
<b>ITC</b>	Information Technology Committee
<b>SEC</b>	Social and Ethics Committee
<b>GRHRC</b>	Group Remuneration and Human Resources Committee

Directors' ages are as at 31 December 2015.

#### Alex Darko (63)

*Qualifications:* MSc (MIS); Fellow of Chartered Certified Accountants (FCCA)

*Appointed:* 2014

*Committees:* GACC; ITC; GRHRC

Alex held a number of senior positions at Dun & Bradstreet, including director of UK shared services, director of finance: Dun & Bradstreet Europe Ltd and head of accounting re-engineering. He later moved back to Ghana and worked for Ashanti Goldfields in a number of senior roles. Alex was vice-president, knowledge and information at AngloGold Ashanti from 2005 to 2010.

Alex is an executive mentor and an independent consultant in organisational culture, change management and strategy. He also serves as a non-executive director on the boards of Business Connexion Limited and Consolidated Infrastructure Limited.

#### Colin Beggs (67)

*Qualifications:* BCom (Hons); CA (SA)

*Appointed:* 2010

*Committees:* GACC (Chairman); GRCMC; CoRC; BFC; DAC

Colin is a former senior partner and Chief Executive Officer of PricewaterhouseCoopers (PwC) in southern Africa and retired from that position in June 2009. He was the chairman of the SAICA board in 2002/3 and was a member of the Accounting Practices Board. Colin is also a non-executive director of Sasol Limited, SAB Zenzele Holdings Limited and the Ethics Institute of South Africa.

#### David Hodnett (46)

*Qualifications:* BCom; CA (SA); MBA

*Appointed:* 2013

*Committees:* Models (Chairman); GRCMC; CORC; ITC

David is the Deputy Chief Executive Officer and Financial Director. He completed his articles with KPMG and became a partner in the financial services team. He then joined Standard Bank Group, where he was involved in group risk and retail credit functions. David joined the Group in 2008 as the Chief Risk Officer and became the Group's Financial Director on 1 March 2010. In December 2013, David was appointed as Deputy Chief Executive Officer. He has oversight of the Chief Operating Officer's portfolio and responsibility for significant Group-wide change initiatives.

#### Mark Merson (47)

*Qualifications:* Chartered Accountant (UK)

*Appointed:* 2014

*Committees:* GRCMC; BFC

Mark is a graduate of Oxford University, chartered accountant and was previously a partner in the financial services consulting practice of Deloitte. He joined Barclays in 2003 as Group Financial Controller and during his career to date, has held positions as the Head of Investor Relations (2005) and Financial Controller and CFO for UK and EMEA in the Investment Bank (2009) before becoming global CFO for CIB at the end of 2011.

## Mohamed Husain (55)

*Qualifications:* BProc

*Appointed:* 2008

*Committees:* SEC (Chairman); GRHRC (Chairman); GACC; DAC; BFC

Mohamed has been an attorney for 30 years, during which time he has represented a diverse range of state, institutional and individual clients in all areas of corporate practice. He is a past president of the London-based Commonwealth Lawyers Association and of the Law Society of the Northern Provinces. He is a past chairman of the Attorneys Insurance Indemnity Fund. He was a founder member and councillor of the Law Society of South Africa. Currently, he serves on its audit and risk committees and chairs the remuneration committee. Mohamed has served as Judge of the High Court of South Africa.

Mohamed serves as director of Knowles Husain Lindsay Incorporated and KLH Investments Proprietary Limited and is the non-executive chairman of Andulela Investment Holdings Limited.

## Paul O'Flaherty (53)

*Qualifications:* BCom; BAcc; CA (SA)

*Appointed:* 2016

*Committees:* GACC; GRMC; CoRC

Paul is the chief executive officer of Al Naboodah Enterprises LLC. Prior to this, he was the chief executive officer of ArcelorMittal South Africa Limited from 1 July 2014 to 12 February 2016, and remains non-executive director of ArcelorMittal. He was previously the finance director and group executive for Group Capital of Eskom Holdings (SOC) Limited. Prior to that, he was in the construction industry in South Africa, Africa and in the Middle East, deputy CEO of Group Five Limited and chief financial officer of Al Naboodah Construction Group respectively. Before joining the construction industry he was an audit partner at PricewaterhouseCoopers in South Africa.

## Trevor Munday (66)

*Qualifications:* BCom

*Appointed:* 2007

*Committees:* BFC (Chairman); GRMC (Chairman); CoRC (Chairman); GACC; DAC; GRHRC

In 2001, Trevor was appointed as an executive director of Sasol Limited, with global responsibility for finance and accounting, risk management, internal audit, corporate affairs and planning. In 2003, he assumed responsibility for Sasol Group's global chemical businesses. He retired as deputy chief executive of Sasol on 31 December 2006.

Trevor is the non-executive chairman of Reunert Limited and non-executive chairman of Illovo Sugar Limited.

## Yolanda Cuba (38)

*Qualifications:* BCom (Statistics); BCom (Hons); CA (SA)

*Appointed:* 2006

*Committees:* GRHRC; CoRC; BFC

Yolanda became chief executive officer of Mvelaphanda Group Limited in 2007. She joined South African Breweries Limited as executive director for development and decision support in September 2011, and was subsequently appointed as executive director for strategy and business support. Yolanda was appointed as chief officer: strategy and new business at Vodacom Group Limited in November 2014.

She is a non-executive director of Reatile Resources Proprietary Limited. She is also a member of the Nelson Mandela Foundation Investment and Endowment Committee.





# 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

## Head Investor Relations

Alan Hartdegen

Telephone: +27 (0)11 350 2598

## Group Company Secretary

Nadine Drutman

Telephone: +27 (0)11 350 5347

## Head of Finance

Jason Quinn

Telephone: +27 (0)11 350 7565

## Transfer secretary

Computershare Investor Services Proprietary Limited

Telephone: +27 (0)11 370 5000

[computershare.com/za/](http://computershare.com/za/)

## Auditors

Ernst & Young Inc.

Telephone: +27 (0)11 772 3000

[ey.com/ZA/en/Home](http://ey.com/ZA/en/Home)

PricewaterhouseCoopers Inc.

Telephone: +27 (0)11 797 4000

[pwc.co.za](http://pwc.co.za)

## Registered office

7th Floor, Barclays Towers West, 15 Troye Street, Johannesburg, 2001

PO Box 7735, Johannesburg, 2000

Switchboard: +27 (0)11 350 4000

[barclaysafrica.com](http://barclaysafrica.com)

## Queries

Please direct investor relations and annual report queries to [ir@barclaysafrica.com](mailto:ir@barclaysafrica.com)

Please direct media queries to [groupmedia@barclaysafrica.com](mailto: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](mailto:questions@computershare.co.za)

Please direct other queries regarding the Group to [groupsec@barclaysafrica.com](mailto:groupsec@barclaysafrica.com)

## ADR depository

BNY Mellon

Telephone: +1 212 815 2248

[bnymellon.com](http://bnymellon.com)

## Sponsors

Lead independent sponsor

J.P. Morgan Equities South Africa Proprietary Limited

Telephone: +27 (0)11 507 0300

[jpmorgan.com/pages/jpmorgan/emea/local/za](http://jpmorgan.com/pages/jpmorgan/emea/local/za)

Joint sponsor

Absa Bank Limited (Corporate and Investment Bank)

Telephone: +27 (0)11 895 6843

[equitysponsor@absacapital.com](mailto: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

Barclays Bank of Botswana Limited

Barclays Bank of Ghana Limited

Barclays Bank of Kenya Limited

Barclays Bank Mauritius Limited

Barclays Bank Mozambique SA

Barclays Bank (Seychelles) Limited

Barclays Bank Tanzania Limited

Barclays Bank of Uganda Limited

Barclays Bank Zambia plc

National Bank of Commerce Limited

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

[www.barclays.co.bw](http://www.barclays.co.bw)

[www.gh.barclays.com/](http://www.gh.barclays.com/)

[www.barclays.co.ke](http://www.barclays.co.ke)

[www.barclays.mu](http://www.barclays.mu)

[www.barclays.co.mz/eng](http://www.barclays.co.mz/eng)

[www.barclays.sc](http://www.barclays.sc)

[www.barclays.co.tz](http://www.barclays.co.tz)

[www.barclays.co.ug](http://www.barclays.co.ug)

[www.zm.barclays.com/](http://www.zm.barclays.com/)

[www.nbctz.com](http://www.nbctz.com)

## Representative offices

Absa Namibia Pty Limited

Absa Capital Representative Office Nigeria Limited

[www.absanamibia.com.na](http://www.absanamibia.com.na)

[www.cib.barclaysafrica.com](http://www.cib.barclaysafrica.com)

