

Governance review

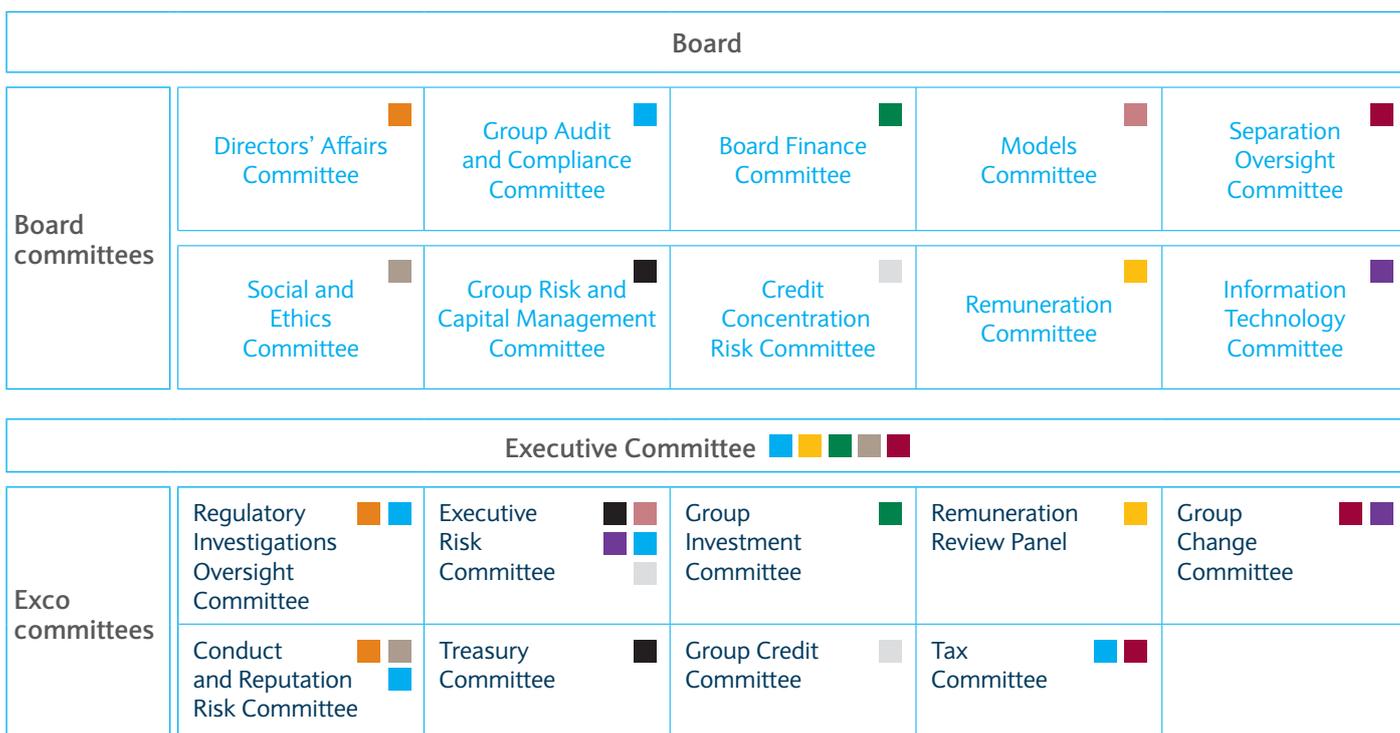
Good corporate governance creates and sustains shareholder value; ensures that our behaviour is ethical; and promotes positive outcomes for all stakeholders.

Board

Our Board is the apex governance forum in the Barclays Africa Group. The leadership provided by the Board creates value for our shareholders and benefits for all stakeholders.

The Board actively engages management in setting, approving and overseeing execution of the strategy and related policies. It monitors that management (i) maintains internal controls for assurance of effective and efficient operations, and compliance with laws and regulations; and (ii) does this within an ethical environment.

The Executive Committee, and its various committees, report to the Board and Board committees in accordance with their respective mandates to ensure the appropriate flow of information from the mandated executive forums to the relevant oversight forums. The colour codes indicate the primary lines of reporting.



Members of our Board

Independent directors



Wendy Lucas-Bull ⁶⁴
Group Chairman
BSc
Appointed in April 2013
Committees: DAC^C, GACC^A,
GRCMC^M, RemCo^M, SEC^M,
CoRC^M, ITC^M, BFC^M, SC^C



Trevor Munday ⁶⁸
Lead Independent Director
BCom
Appointed in April 2007
Committees: DAC^M, GRCMC^M,
BFC^M, SC^M



Alex Darko ⁶⁵
(Ghanaian)
*MSc (Management Information
Systems), FCCA*
Appointed in May 2014
Committees: GACC^M, RemCo^M,
ITC^C, SC^M



Colin Beggs ⁶⁹
BCom (Hons), CA(SA)
Appointed in June 2010
Committees: DAC^M, GACC^C,
GRCMC^M, BFC^M, SC^M



Daisy Naidoo ⁴⁵
BCom, CA(SA), MAcc (Tax)
Appointed in May 2016
Committees: GACC^M, CoRC^M



Francis Okomo-Okello ⁶⁸
(Kenyan)
*LLB (Hons), Dip (Law),
Certified Public Secretary*
Appointed in October 2014
Committees: SEC^M



Mark Merson ⁴⁹
(British)
MA (Hons), ACA
Appointed in January 2014
Committees: GRCMC^M, BFC^M



Mohamed Husain ⁵⁷
BProc
Appointed in November 2008
Committees: DAC^M, GACC^M,
RemCo^M, SEC^C, SC^M



Monwabisi Fandeso ⁵⁹
BSc, MBA
Appointed in September 2017
Committees: SEC^M, ITC^M



Paul O'Flaherty ⁵⁵
BCom, BAcc (Hons), CA(SA)
Appointed in February 2016
Committees: DAC^M,
GACC^M, GRCMC^M, RemCo^C, SC^M



René van Wyk ⁶¹
BCom, BCompt (Hons), CA(SA)
Appointed in February 2017
Committees: GACC^M, GRCMC^C,
CoRC^C, DAC^M, SC^M



Tasneem Abdool-Samad ⁴³
BCom, CA(SA)
Appointed in February 2018
Committees: GACC^M



Yolanda Cuba ⁴⁰
BCom, BCom (Hons), CA(SA)
Appointed in December 2006
Committees: RemCo^M, CoRC^M,
BFC^C



Daniel Hodge ⁴⁴
(British)
ACA, MA (Hons)
Appointed in May 2017
Committees: GRCMC^M

Non-executive director



Maria Ramos ⁵⁸
Chief Executive Officer
*BCom (Hons), MSc
(Economics), CAIB(SA)*
Appointed in March 2009
Committees: DAC^A, CoRC^M,
GACC^A, GRCMC^M, RemCo^A,
SEC^M, ITC^M, BFC^A, MC^M, SC^M



David Hodnett ⁴⁸
Deputy Chief Executive Officer:
South Africa Banking
*BCom, CA(SA), AdvDip
(Banking), MBA*
Appointed in March 2010
Committees: SEC^A, ITC^M, CoRC^M,
MC^M, SC^M



Peter Matlare ⁵⁸
Deputy Chief Executive Officer:
Rest of Africa Banking
*BSc (Hons), MA (South African
Studies)*
Appointed in December 2011
Committees: SEC^A, ITC^M, SC^M



Jason Quinn ⁴³
Financial Director
BAcc (Hons), CA(SA)
Appointed in September 2016
Committees: DAC^A, GACC^A,
GRCMC^M, BFC^A, CoRC^M, MC^C,
ITC^M, RemCo^A, SC^M

Executive directors

The committee membership and committee status as shown below reflects the current composition of the committees. Historic committee membership and meeting attendance is outlined on page 70.

Board committees

DAC	Directors' Affairs Committee	A	Attendee
GACC	Group Audit and Compliance Committee	C	Chairman
GRCMC	Group Risk and Capital Management Committee	M	Member
RemCo	Group Remuneration Committee		
SEC	Social and Ethics Committee		
ITC	Information Technology Committee		
BFC	Board Finance Committee		
CoRC	Credit Concentration Risk Committee		
MC	Models Committee		
SC	Separation Oversight Committee		

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	30	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	10					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

Board changes

As at 31 December 2017, our Board comprised 17 members, of whom 12 were independent, one non-executive and four executive. Four were women, and five were Black Board members. As part of the Separation, Barclays PLC reduced its nominees from three to one. Ashok Vaswani and Patrick Clackson stepped down (in June 2017 and April 2017 respectively) and Daniel Hodge, appointed in May 2017, is the sole nominee of Barclays PLC. After leaving Barclays PLC, Mark Merson, remained a member of our Board and was conferred independent status from 1 October 2017.

Monwabisi Fandeso was appointed as independent director, with effect from 1 September 2017. Tasneem Abdool-Samad (who had been on our Absa Bank Board) joined the Board on 1 February 2018 as independent director, increasing the number of board members to 18 and the overall percentage of independence, women, and Black members.

Independence

Our Board composition emphasises directors' independence to promote independent judgement and diverse mind-sets and opinions. All directors are expected to exercise their judgement independently, irrespective of their status.

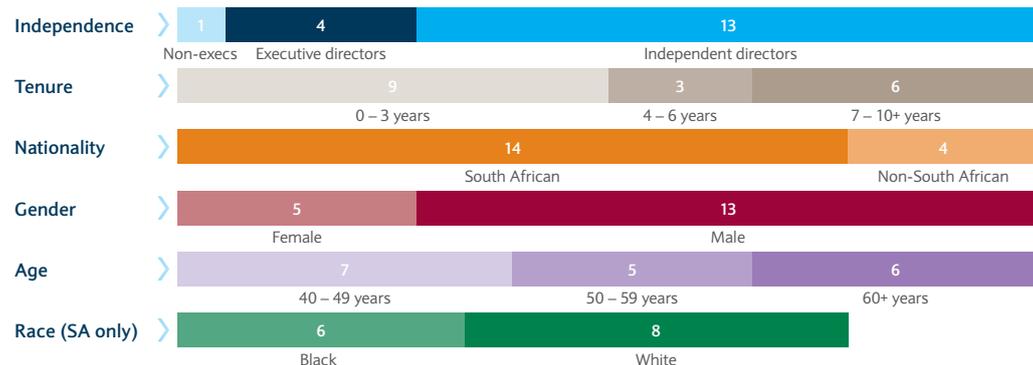
Independent directors are annually assessed in accordance with the JSE Listings Requirements and King IV recommendations. The directors assessed in 2017 maintained their independent status and, as mentioned above, Mark Merson is now considered an independent non-executive director.

Directors who have served for more than nine years are subject to annual rotation after the Board has confirmed that they remain suitably qualified to serve. Three independent directors have served on the Board for more than nine years, namely Mohamed Husain, Yolanda Cuba and Trevor Munday. At the upcoming annual general meeting, Mohamed and Yolanda will offer themselves for re-election, but Trevor will be retiring. The Board assessed and concluded that Mohamed and Yolanda remain independent and that they continue to make a significant contribution to the Board's value-creation.

Tenure

Each director's length of service is regularly reviewed as part of succession planning. We have a good balance of longer-serving directors and more recent appointees which talks to a combination of Group-specific experience and fresh challenge. 50% of our members are in their first three years with the Board; 17% have tenure of four to six years; while 34% are longer-serving with seven to 11 years of experience.

Composition



Detailed biographies of our Board members can be found at barclaysafrica.com

Diversity

The Board recognises that a diverse board is beneficial to an organisation's business and regards diversity of perspectives at board level as essential to its ability to provide effective oversight over the setting and execution of strategy.

The Board endorses the recommendation of King IV that a board of directors should comprise the appropriate balance of knowledge, skills, experience, diversity and independence.

King IV recommends that a Board set targets for race and gender representation, and the JSE Listings Requirements requires us to have policies on the promotion of race and gender diversity at board level.

The Board is committed to ensuring that the Group meets its governance, social and regulatory obligations regarding diversity while considering the environment and pan-African geographies in which we operate.

In accordance with our board diversity policy, the Board has set targets for race and women representation at a minimum of 30% each for 2018.

The Board takes prudent measures toward greater race and gender diversity among all employees, and recognises the benefits of having South African, pan-African, and non-African board members.

As at 31 December 2017, the representation of women on (i) all of our subsidiary boards is 26%; (ii) South African boards is 28%; and (iii) the country bank boards is 22%. The Black representation on the South African subsidiary boards is 37%.

Skills

The Board has the requisite skills to consider and deal with the matters that come before it. In particular we have skills and experience in the areas of banking, risk and capital management, technology, general commercial, financial, auditing, accounting, large-scale industrial, counterparty negotiation, legal, human resource and reward, as well as pan-African strategic engagement.

Our Rest of Africa boards have focused on their composition and skill sets, with a high number of non-executive directors having been appointed with financial, accounting and general commercial skills.

Our 2017 governance activities are aligned with the South African Companies Act, JSE Listings Requirements, (including King IV) as well as the Banks Act.

Key elements of our corporate governance

Our Board Charter

Our Board Charter is the foundation for our governance principles and practices. The charter:

- outlines our Board committees' mandates and specifies which matters are reserved for the Board;
- defines separate roles for the Group Chairman and Chief Executive Officer;
- dictates the Board's expectations of the directors, the chairmen of our Board committees and the lead independent director; and
- sets out how the corporate governance provisions in King IV, the Companies Act, the Banks Act and the JSE Listings Requirements will be put into practice.

Conduct and ethics

Our Board appreciates the importance of ethics and its contribution to value creation and is committed to instilling ethical values throughout the Group, beginning with individual directors' conduct which, if appropriate, will in turn have a positive impact on conduct risk in the Group.

We are committed to the highest standards of integrity and ethical behaviour, and our code of conduct outlines the Values and behaviours that govern our way of working across our business. This code fosters values-based decision-making and demonstrates how our policies and practices align with our Values.

Management is responsible for embedding ethical conduct in the organisation which is overseen by the Social and Ethics and the Directors' Affairs committees (pages [75](#) and [71](#)).

Directors' appointments

The Directors' Affairs Committee, comprised of independent members only and chaired by the Group Chairman, formally facilitates and recommends directors' appointments for ultimate approval by the Board.

The magnitude and complexity of the Group determines our Board's composition, and we have diverse criteria for candidates to ensure robust governance, keen commercial decision-making and strong technical inputs.

New members are thoroughly inducted into the business, engaging with business executives and functional experts (including risk, finance, treasury, human resources, compliance and internal audit) for a holistic understanding of the Group.

Roles on the Board

The Board's structure balances the directors' powers so that no individual has unfettered authority in discussions or decision-making. The distinct roles of the Chief Executive Officer, Group Chairman, Lead Independent Director and non-executive directors are defined in the Board Charter. All executive directors are engaged on standard employment contracts, subject to short-term notice periods.

Board effectiveness review

The Board's effectiveness is underpinned by that of its individual directors and its support system.

We assessed the effectiveness of the Board, committees, Group Chairman and individual directors, and held peer reviews in January 2017 which showed the Board was performing well overall. Remedial actions for areas requiring improvement were implemented with some receiving ongoing focus.

In view of the increased activities relating to the Separation in 2017, and the revision of the Group's strategy, the Board decided that it would be more beneficial to hold the next evaluation at the end of 2018. In line with recommendation of King IV, we have taken a decision to adopt biennial reviews, which will allow for sufficient time to remedy identified matters.

Directors standing for re-election will have their performance evaluated based on a previous year's assessment, together with other recent and apparent factors.

Application of King IV

Applying King IV brought about changes to our governance processes, including:

- transitioning from an annual to a biennial Board effectiveness review;
- the inclusion of a gender and race diversity policy and related targets in our Board Charter;
- a heightened focus on combined assurance and coverage of the three lines of defence;
- more extensive disclosures on remuneration practices;
- a detailed review of our stakeholder-inclusive practices and policies, with a view to create a more comprehensive and effective stakeholder management regime; and
- developing a Group-wide governance framework to improve the inclusivity of governance.

In our approach, we considered each principle and the underlying recommended practices against that which was already in policy or practice within the Group. The outcomes of the analysis were considered by the Board and relevant committees between November 2016 and September 2017.

Our assessment indicates that we apply all key aspects of the 16 Principles with room for improvement in Principles 14 (remuneration governance) and 16 (stakeholder relationships).

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	30	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

Our asset and investment management businesses assessed their policies and practices against Principle 17 (responsibilities of institutional investors) and confirm that they are mostly compliant, with certain areas for improvement. Our progress by principle is outlined on page 68.

Our major subsidiaries will apply King IV proportionally, the basis of which will be defined through the development of our Group governance framework.

Conflicts of interest

Directors have a responsibility to avoid situations that put, or may be perceived to put, their personal interests in conflict with their duties to the Group. The Board Charter requires directors to declare any actual or potential conflict of interest immediately when they become aware of such situation. Before each scheduled meeting, each director submits a 'declaration of interest' form, outlining other directorships and personal financial interests, including those of their related parties. Where actual or potential conflicts are declared, the recusal procedure is implemented, and affected directors are excluded from discussions and any decisions on the subject matter of the declared conflict.

Actual and potential conflicts of interest are taken into account in the annual assessment of director independence.

Group Company Secretary

The Board evaluated the qualifications, competence and experience of Nadine Drutman (BCom, LLB, LLM), the Group Company Secretary, and remains satisfied that she is qualified for the role and confirmed her independence and arm's-length relationship with the Board and its members.

Nadine advises the Board and individual directors on their fiduciary duties and on corporate governance requirements and practices. She has unfettered access to the Group Chairman, and her office is sufficiently resourced to perform its duties.

Subsidiary relations

King IV and the Separation are opportunities for us to refresh the governance arrangements with our major subsidiaries across Africa. Our Group governance framework, to be adopted by our major subsidiaries in 2018, will standardise the application of frameworks, policies and standards as well as management of discretions limits. It will provide clarity regarding roles and responsibilities of the Group and subsidiary boards and the proportional application of King IV by subsidiaries.

At the annual Africa chairmen's conference in June 2017, business updates were provided, the Separation impacts were discussed, and thoughts on talent management, cloud technology, and the impact of the macro environment were shared.

The Group Chairman periodically holds calls with the chairmen of the major subsidiary boards to keep them apprised of matters pertaining to business performance, Barclays PLC's sell-down of Barclays Africa shares, developments regarding the brand, and the Separation in general.

Peter Matlare, Deputy Chief Executive Officer: Rest of Africa Banking, engages the Rest of Africa subsidiary boards to proactively manage business performance and regulatory relations (the latter requiring significant time and commitment in light of the Separation).

Key matters deliberated by our Board

We maintain a one-year rolling forward planner for the Board and each committee for discussions during the year. Our standard and regular agenda items include

- (i) report-backs from each Board committee; and
- (ii) comprehensive reports from:
 - the Chief Executive Officer (including strategy execution and our performance within the context of the operating environment and competitor landscape);
 - the Financial Director; and
 - the Chief Risk Officer.

In addition, the following notable items were deliberated at the Board:

- (iii) The Separation:
 - the implementation of certain aspects of the Separation arrangements;
 - the sell-down of Barclays Africa shares by Barclays PLC through an accelerated bookbuild;
 - a significant information technology outsourcing arrangement; and

- the strategy to open offices in the UK and the US through licensed securities entities, to support our corporate clients in doing business in these countries.
- (iv) Regulatory, risk and conduct matters:
 - IFRS 9 (accounting for financial instruments), and BCBS 239 (Basel Committee on Banking Supervision's principles for effective risk data aggregation and reporting), and King IV.
 - Economic capital and the role it plays in risk appetite development and monitoring.
 - Absa Bank's exposure to state-owned entities and our related risk appetite.
 - The Group's pension fund and related regulation, and risks.
 - Competition law (having regard to the Competition Commission matter and other legislative developments).
 - Matters pertaining to suppliers implicated in State Capture (being the controversy surrounding the Gupta family, their alleged undue influence over state organs in South Africa, and the alleged corrupt business dealings of companies they own or are related parties to).

Progress against our 2017 governance objectives

The Directors' Affairs Committee monitors the execution of our strategy in the key areas forming part of the Board governance objectives. The Board and its committees held regular meetings and rigorously attended to the oversight of these matters. The Board recognises that there is more to be done in certain areas of our strategy execution and business performance, in particular regarding top-line income growth, customer service, IT stability, and in areas impacting our people and culture. We believe that these continue to be the appropriate areas to focus on and intensify our efforts in.

Objective	How we performed
<p>1. Review the progress of our Group's strategy execution, having regard to the prevailing macroeconomic conditions, and in the context of a sound control and risk environment, and ethical and transparent leadership.</p> 	<p>The Board substantively achieved against this objective, monitoring the execution of the One Africa strategy in the context of the macroeconomic environment, but will in the coming year focus to a greater extent on comparative and competitor information and the customer dynamic, especially in areas where market share has declined and where top-line growth has been a challenge.</p> <p>Key matters deliberated by our Board 66; Social and Ethics Committee page 75</p>
<p>2. Monitor the implementation of the Group's IT strategy, with a focus on resilience and appropriate investment spend.</p> 	<p>The Board substantively achieved against this objective, with much work done in regard to monitoring the 'run the bank' and 'change the bank' initiatives, with a significant book of work and a move to a new data centre. Resilience and cyber security remains a focus area with a need to improve reliable access to our systems and applications particularly for the Rest of Africa banking operations.</p> <p>Information Technology Committee page 76</p>
<p>3. Ensure that risk and capital management frameworks are appropriate in the context of a shifting global regulatory and risk environment, and a changing business environment.</p> 	<p>The Board fully achieved against this objective, having considered the regulatory environment and the related impact on our banks and management's responses. The potential effects of IFRS 9 were taken into account in capital planning. Regulatory reporting on key matters such as the internal capital adequacy assessment process report (ICAAP), Pillar 3, and recovery and resolution continued to improve; and matters of credit and concentration risk were brought as events unfolded in relation to our public and private sector clients, enabling swift but measured action to be taken.</p> <p>Group Risk and Capital Management Committee page 73; Group Audit and Compliance Committee page 72; Credit Concentration Risk Committee page 78</p>
<p>4. Monitor and assess the people agenda and the culture of our organisation.</p> 	<p>The Board substantively achieved against this objective with regular reports on our Black Economic Empowerment scorecard, Shared Growth, and the management of stakeholders, conduct and employees being considered. Continued focus will be on those items which contribute to the culture of our organisation and where we anticipate positive change; and on those items (stakeholders and citizenship) that support our journey to full application of King IV.</p> <p>Social and Ethics Committee page 75</p>
<p>5. Oversee the Barclays PLC sell-down, with a specific focus on the execution thereof, following regulatory approval.</p> 	<p>The Board fully achieved against this objective, monitoring each aspect of the sell-down and establishment of the BEE warehousing structure; while at the same time receiving reports on execution progress and related cost and strategic investment spend.</p> <p>Separation Oversight Committee page 80</p>

2018 governance objectives

1. New corporate strategy – Oversee management's delivery of the approved growth strategy into detailed execution plans.
2. Business-as-usual – Monitor and assess the business-as-usual execution in the context of significant change and the new strategy.
3. Technology – Oversee system stability while the Group manages change and transforms the technology landscape, taking into account both the Separation and the growth strategy.
4. Transformation and digitisation – Oversee and assess how we are transforming our business in the areas of growth (top line and returns), building a scalable, digitally-led business, and playing a role in shaping society.
5. People and culture (an underpin to the strategy) – Monitor and assess our progress with respect to diversity and the renewed culture, as an enabler of the new strategy.
6. The Separation – Oversee the execution of the Separation programme.

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	10	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

Focus on King IV

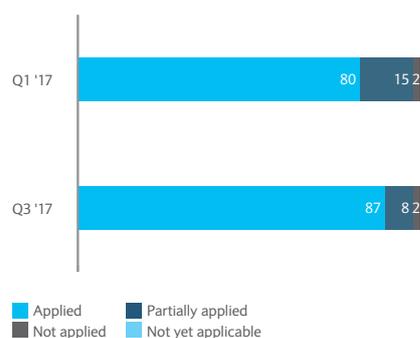
We assessed key governance areas against King IV's envisioned outcomes ('ethical culture', 'effective control', 'good performance' and 'legitimacy') and categorised expected outcomes as either 'primary' or 'secondary'. For example, a focus on organisational ethics to promote an ethical culture as a primary outcome with good performance as a secondary outcome. We anticipate that applying the recommended practices to our focus areas – organisational ethics, group governance framework, stakeholder engagement, combined assurance and fair and responsible remuneration – will benefit 'ethical culture' and 'legitimacy' outcomes the most, followed by noteworthy benefits to 'good performance'. These expected outcomes reinforce the Board's view that an ethical culture and a good reputation are essential to building a sustainable business.

An initial assessment in early 2017 indicated that we already apply the most significant aspects of the principles and majority of the underlying recommended practices. Of the 400 practices, 80% had been fully applied, 15% partially applied, 2% not applied and 3% not yet applicable.

Principles 14 and 16 (respectively covering remuneration governance and stakeholder inclusiveness) recorded relatively higher percentages in the 'partially applied' category.

From March 2017, our remedial efforts were aimed mainly at updating our Board Charter, committees' terms of reference and other governance documents and processes. We moved from 80% fully applied to 87% by the end of the third quarter.

Level of application (%)



Below we summarise our progress on the selected focus areas and what remains to be done.

Assessment against King IV

What we have done and next steps

Ethical conduct

The Board, through our Social and Ethics Committee, is responsible for overseeing ethics and ethical conduct in the Group. Other Board committees oversee conduct-related matters, such as internal and external fraud and forensic investigations (monitored by the Group Audit and Compliance Committee and the Directors' Affairs Committee).

We surveyed our employees' impression of our culture and the state of ethics in the organisation, and the Board received a detailed report in the last quarter of 2017. The Group's code of conduct was approved in November 2017 and applies to all employees in the Group. Similarly, we implemented a supplier code of conduct. We enhanced the Social and Ethics Committee's oversight role of the conduct risk and reputation risk frameworks, the supplier due diligence framework, and the conflicts of interest policy.

The Social and Ethics Committee was briefed on the application of the whistle blowing process in the Group in the first quarter of 2018, including the systems and processes used to support the reporting and assurance provided on disciplinary and grievance information.

Group governance framework

King IV recommends that a holding company should apply an agreed group-wide governance framework. An existing memorandum of understanding governs the relationship between the Group Chairman and the chairmen of the subsidiary bank boards. In order to fully apply the recommended practice, we require a governance framework with greater Group-wide coverage.

In developing the Group governance framework, our memorandum of understanding has been expanded (i) in scope to deal with all subsidiary entities; and (ii) in mandate to deal with the process of approving Group policies, proportionality in relation to subsidiary entities' application of King IV, mandate limits, and the responsibilities that Board committees will undertake on behalf of the subsidiary entities. We will continue to gather input from the various stakeholders, and the Group and subsidiary boards will approve and adopt the framework in the latter part of 2018.

Assessment against King IV

What we have done and next steps

Stakeholder relationships

The Social and Ethics Committee assists the Board in overseeing stakeholder relationships. The Group generally has a stakeholder-inclusive approach; however, we have an opportunity to enhance this. We operate a decentralised stakeholder management model where relevant executives define the engagement approach including mechanisms, frequency of engagement, issue management, reporting and dispute management.

Our Balanced Scorecard contextualises key matters raised by our stakeholders, and we address these further in the sections on governance and remuneration as well as in our stakeholder management approach in our GRI report.

The foundational elements for stakeholder relationship management exist in our governance structure, with varying levels of maturity. We are:

- developing a new Group-level stakeholder engagement policy;
- reviewing governance structures, including executive-level accountability for each stakeholder group;
- annually reviewing our identified stakeholder groups, and prioritising key matters;
- developing stakeholder management methodologies; and
- formalising centralised reporting on stakeholder activities and outcomes, including the development of measurement tools, to determine the effectiveness of engagement activities.

Management will table an integrated stakeholder management approach (with relevant policies, strategic direction and internal and external reporting) to our Board for deliberation and approval in 2018.

Fair and responsible remuneration

King IV requires increased disclosure around remuneration, requiring us to expand on how we address and approach remuneration throughout the Group. To achieve this we must revise our reward/remuneration policy to more comprehensively (i) address the principles of fair and responsible remuneration; (ii) address the approach to remuneration Group-wide; and (iii) incorporate all the elements of remuneration that are offered in the organisation.

The objectives/philosophy disclosed in the integrated report should evidence a more comprehensive remuneration policy together with these practices.

The RemCo terms of reference was updated to ensure organisation-wide coverage of remuneration matters. Our revised remuneration policy, to be approved in 2018, will define a strategic approach to remuneration benefits including fair and responsible executive management remuneration in relation to overall employee remuneration; and the elements of, and mix of, remuneration that are offered in the organisation.

Our remuneration report aims to provide more transparent disclosures including our responses to key concerns and recommendations of shareholders as well as the approach to shareholder voting on remuneration at the annual general meeting. Our current policy disclosure is linked to high-level statements of intent however, going forward the main provisions of the policy will be disclosed. We have introduced and disclosed a single aggregated annual remuneration number for each executive and are investigating the methodology of disclosure of awards at fair value.

Combined assurance

A more comprehensive combined assurance model is being developed to ensure coverage of all key risks across the three lines of defence.

Although no gaps were specifically identified, (i) the combined assurance process is a work in progress; and (ii) assurance of external reports with a framework (identifying qualifying external reports, levels of assurance, and provider of assurance in respect of each) is required.

In addition to legislative or regulatory requirements, we are determining the appropriate type/level of assurance to support the integrity of each external report. We developed a framework for external reporting, identifying the combination of internal and external assurance providers per report. The Board or committee will be in a position to determine the effectiveness of the assurance process applied to each external report and issue a statement on the integrity of such report accordingly. Effective from the first financial results publication on 1 March 2018, the detail of the assurance provided on each report issued will be published within each report.

Phase two of the process involves identification of reports outside of the regular reporting suite (such as to regulators) which may fall within the ambit of this King IV recommendation.

Application of Principle 17

This principle is designed for application by institutional investors. Our asset/investment management businesses – Absa Asset Management, Absa Alternative Asset Management and Absa Multi Management – have assessed their policies and practices against this principle and confirmed that they are generally compliant, with certain areas requiring improvement. Absa Asset Management and Absa Alternative Asset Management are signatories to the United Nations Principles for Responsible Investment (UN PRI) and subscribe to the Code for Responsible Investing in South Africa (which is based on the UN PRI), while Absa Multi Management is working towards the same by the end of 2018. Furthermore, we will review other businesses which may touch on the asset management value chain.



[View our King IV review available at barclaysafrica17ar.co.za.](http://barclaysafrica17ar.co.za)

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	10	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

2017 Board and committee attendance

Attendance is an important factor in the Board's ability to discharge its duties and responsibilities and care is taken in preparing the Board calendar to enable meeting attendance. If a director is unable to attend a meeting (these are generally *ad hoc*), an apology is recorded, and if possible, he/she makes written or oral contributions ahead of the meeting.

We expect, and receive, significant commitment from our Board members as illustrated by the table below, with 96% attendance of all scheduled meetings; and 95% attendance of all meetings including *ad hoc* meetings. After taking unscheduled meetings into account, the total number of meetings held was 63 (2016: 64), excluding Separation Oversight Committee meetings. The Separation Oversight Committee meetings are separately reflected given that they will cease on completion of the Separation.

Name	Board	BFC	CoRC	DAC	GACC ⁸	GRCMC	ITC	MC	RemCo	SEC	Totals	% scheduled meetings	(All meetings, incl. <i>ad hoc</i>)	SC
Number of meetings	10	5	3	4	7	6	4	3	5	3	50		63	8
Alex Darko	10/10				7/7		4/4		5/5		26/26	100	31/31	2/2
Ashok Vaswani ¹	1/3				2/3		0/1				3/7	43	3/7	
Colin Beggs ^{6,7}	10/10	5/5		4/4	7/7	6/6					32/32	100	43/43	8/8
Daisy Naidoo	9/10		3/3		6/7						18/20	90	21/23	
Daniel Hodge ³	8/8					5/5					13/13	100	16/18	
David Hodnett ⁷	10/10		3/3				4/4	3/3		3/3	23/23	100	27/27	8/8
Francis Okomo-Okello	10/10									3/3	13/13	100	15/15	
Jason Quinn ⁷	10/10	5/5	2/3	4/4	7/7	6/6	3/4	3/3	5/5		45/47	96	57/59	8/8
Maria Ramos ⁷	10/10	5/5	3/3	4/4	7/7	6/6	2/4	3/3	5/5	3/3	48/50	96	55/62	8/8
Mark Merson	10/10	5/5				6/6					21/21	100	29/29	
Mohamed Husain ⁷	10/10			4/4	7/7				5/5	3/3	29/29	100	34/34	8/8
Monwabisi Fandeso ⁴	6/6						2/2			1/1	9/9	100	9/9	
Patrick Clackson ²	1/2						1/1		0/1		2/4	50	2/4	
Paul O'Flaherty ⁷	9/10			4/4	7/7	5/6			5/5		30/32	94	35/40	5/8
Peter Matlare	10/10						3/4			3/3	16/17	94	19/21	1/2
René van Wyk ⁷	10/10		3/3	3/3	7/7	6/6					29/29	100	37/37	8/8
Trevor Munday ⁷	10/10	5/5		4/4		6/6					25/25	100	34/35	8/8
Wendy Lucas-Bull ⁵	10/10	5/5	2/3	4/4	7/7	5/6	4/4		5/5	2/3	44/47	94	57/60	7/8
Yolanda Cuba	10/10	5/5	3/3						4/5		22/23	96	26/28	
Total	164/169	35/35	19/21	31/31	64/66	51/53	23/28	9/9	34/36	18/19	448/467		550/582	71/76
Total (%)	(97%)	(100%)	(90%)	(100%)	(97%)	(96%)	(82%)	(100%)	(94%)	(95%)	(96%)		(95%)	(93%)

¹ Resigned, effective 30 June.

² Resigned, effective 30 April.

³ Joined the Barclays Africa Board and the GRCMC effective 1 May.

⁴ Joined the Barclays Africa Board, ITC and SEC effective 1 September.

⁵ Also chairs the Absa Bank and Absa Financial Services boards.

⁶ Also attends the Absa Financial Services Actuarial committee and is a member of the Absa Group Pension Fund.

⁷ All members of the Absa Bank board.

⁸ In addition there are Disclosure and Technical Disclosure sub-committees supporting the GACC which met four times in the year.

Committee reviews

The Board has mandated 10 committees, comprising suitably skilled directors, to oversee and govern their respective areas. Committee chairmen give written (and then verbal) feedback to the Board at Board meetings. In addition, the Group Chairman reports back on the activities of WIMI, as dealt with at the board of Absa Financial Services Limited.

The mandates, membership and the tenure of committee members, as well as the key activities of each committee during 2017 follow here. Each committee considered its gaps relative to King IV and amended its terms of reference and activities in response. This is not specifically mentioned in the write-ups below.

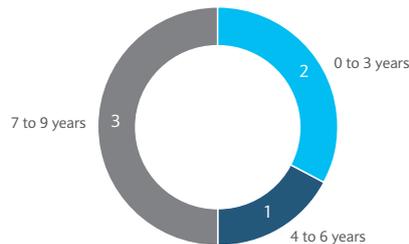
Directors' Affairs Committee



Members

Wendy Lucas-Bull (Chairman)
Colin Beggs
Mohamed Husain
Paul O'Flaherty
René van Wyk (from April 2017)
Trevor Munday

Period served



Attendees

Maria Ramos
Jason Quinn

Mandate

The Committee is mandated to assist the Board in establishing and maintaining an appropriate system of corporate governance for the Group. This includes board and committee composition for all entities, induction of new Board members, director training and skills development, Board and committee effectiveness evaluations, and reviewing and proposing governing policies, and matters of regulatory and reputational risk.

Covered, among others:

- the Group's governance structure, focusing on non-executive director succession planning, to establish and maintain optimal size, composition and independence;
- matters of reputational risk including those issues arising from the Public Protector's release of the final report on the Bankorp matter, and the Competition Commission matter regarding foreign exchange trading;
- matters surrounding regulatory engagements and commitments, in particular the Group's relationships with the various regulators in South Africa and the Rest of Africa in light of the Separation; and the implementation of Twin Peaks in South Africa;
- executive succession planning;
- appointments of chairmen to subsidiary bank boards and non-executive directors to the Absa Financial Services board;
- appointments of members of the Group Board, and committee membership changes;
- the policy in respect of race and gender diversity at Board level; and
- increased discretion limits for the Executive Committee (and resultant limits for Board committees) and mandating this committee to operate at a more strategic level.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and relevant legislation and regulation.

The Committee's themes for 2018 include regulatory relationships; overseeing the Separation from a governance point of view; Board composition and transformation; and enhancing the Board's engagement with major subsidiaries by implementing the Group-wide governance framework.

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	10	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

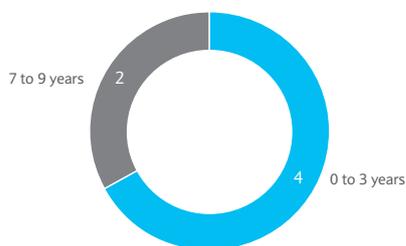
Group Audit and Compliance Committee



Members

Colin Beggs (Chairman)
 Alex Darko
 Daisy Naidoo
 Mohamed Husain
 Paul O'Flaherty
 René van Wyk (from February 2017)
 Tasneem Abdool-Samad

Period served



Mandatory invitees

Wendy Lucas-Bull
 Maria Ramos
 Jason Quinn

Attendees

Chief Internal Auditor
 Chief Risk Officer
 Head of Compliance
 External auditors

Mandate

The Committee is accountable for accounting policies and the annual financial statements and reports; oversees the quality and integrity of the Group's integrated reporting; is the primary forum for engagement with internal and external audit; and monitors the Group's control and compliance environment.

Covered, among others:

- the Group's progress on preparing to implement IFRS 9 (Financial Instruments) from 1 January 2018 (addressing data requirements, retaining skilled resources and assessing macroeconomic factors) and the scope of external and internal audit in relation thereto;
- impairments in the Retail and Wholesale portfolios given the evolving macroeconomic environment, and the potential impact of IFRS 9;
- the alignment of the annual financial reporting processes across Africa;
- the stability of payments and settlements;
- the establishment of a centralised 'converged security' strategy, incorporating cyber, information and fraud risk;
- together with the Directors' Affairs Committee, the Group's position on and relationship with KPMG South Africa, in light of the allegations against the audit firm;
- the control environment, particularly in light of the additional impact of the Separation;
- the approach to tax risk management and tax planning, introducing more transparent tax disclosures and new tax requirements;
- the review by Operational Risk, Internal Audit and Compliance of their respective target operating models, including resourcing of the relevant teams having regard to the demands of the Separation and general regulatory change;
- the embedment of a combined assurance model and the framework for the assurance of external reports;
- compliance with applicable Regulatory requirements, including by the National Credit Regulator and Financial Intelligence Centre in South Africa, and in-country data centres in the Rest of Africa; and
- management's assessment of the performance of the external auditors and their accreditation for 2017.

The Committee is satisfied (i) that it has complied with its terms of reference, and (ii) with the overall control environment, including those aspects supporting the financial statements for 2017, as confirmed by Internal Audit and our external auditors.

In 2018, the Committee will continue to monitor further improvements in the control environment, as well as identified areas, such as cybercrime, financial crime, and fraud; and the effects of new accounting standards.

 [View the full Group Audit and Compliance Committee statement within our consolidated and separate financial statements available at barclaysafrica2017ar.co.za.](http://barclaysafrica2017ar.co.za)

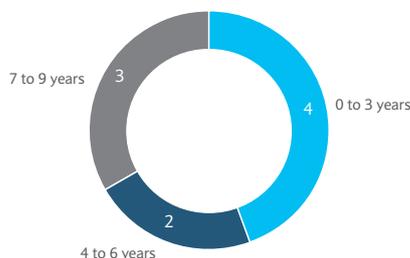
Group Risk and Capital Management Committee



Members

Trevor Munday (Chairman until end March 2017; remains a member)
 René van Wyk (Chairman from April 2017; a member from February 2017)
 Colin Beggs
 Daniel Hodge
 Jason Quinn
 Maria Ramos
 Mark Merson
 Paul O'Flaherty
 Wendy Lucas-Bull

Period served



Attendees

Chief Internal Auditor
 Chief Risk Officer
 Head of Compliance
 Group Treasurer
 External auditors

Mandate

The Committee assists the Board with matters relating to risk, capital and liquidity management within the Group. It receives assurance that processes are in place to comply with laws and regulations pertaining to risk, capital and liquidity management in the relevant jurisdictions.

Covered, among others:

- cyber risk issues and developments, having regard to the inputs of the Information Technology Committee;
- key regulatory developments that may affect the Group's capital position such as the recovery and resolution framework and certain Basel Committee on Banking Supervision (BCBS) developments;
- business continuity/resilience management and the respective metrics, programmes and testing;
- the status of, and management's compliance with, the BCBS 239 standard that looks to risk data aggregation and risk reporting, and the related data management initiatives;
- risk implications of the Separation relating to the three-year transitional outsourced arrangements with Barclays PLC;
- the predicted impact of the IFRS 9 impairment models on the Group's capital ratios;
- the treasury execution strategy in response to a potential sovereign downgrade;
- the nine principal risks (credit risk, market risk, treasury and capital risk, insurance risk, operational risk, model risk, legal risk, conduct risk and reputation risk) and management actions in relation thereto;
- current and projected Group capital levels both on a normalised and IFRS basis;
- current and projected Group funding and liquidity levels, including the liquidity coverage ratio and Basel III net stable funding ratio and the related contingency funding plan; and liquidity risk appetite;
- the issuance of Additional Tier 1 (preference shares) and Tier 2 capital (subordinated debt) at Group level under the domestic medium-term notes (DMTN) programme for investment in Absa Bank;
- taking up a collateral liquidity facility from the South African Reserve Bank from 2018 to meet Basel III liquidity requirements; and
- Stress testing for the integrated planning (budgeting) process for 2018, and reverse stress testing for regulatory purposes, both of which were positive in relation to the capital of the Group, even in highly stressed scenarios.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, and remains comfortable with the levels of risk, capital and liquidity in respect of the regulated entities. In October 2017, the Committee participated in the liquidity stress simulation externally facilitated, and observed by the South African Reserve Bank.

In 2018, the Committee will continue monitoring the Group's nine principal risks, having regard to changing economic and operational conditions and the execution of our Separation, as well as the current and projected levels of capital, funding and liquidity of all regulated entities.

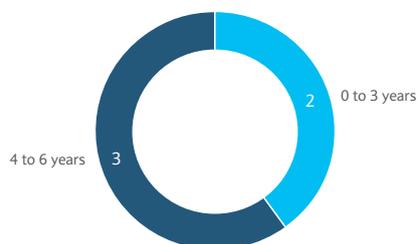
Group Remuneration Committee



Members

Paul O'Flaherty (Chairman)
 Alex Darko
 Mohamed Husain
 Patrick Clackson (until end April 2017)
 Wendy Lucas-Bull
 Yolanda Cuba

Period served



Attendees

Maria Ramos
 Jason Quinn
 Chief Executive: Human Resources
 Head of Reward

Mandate

For the last three years, the Committee has focused on:

- improving the link between pay and performance;
- improving the balance of pay across the organisation;
- ensuring appropriate and compliant disclosure of remuneration principles, philosophies and outcomes;
- engaging with investors regarding our remuneration policy and disclosure;
- managing the implications of CRD IV on pay for Barclays Africa executives and material risk takers; and
- retaining key individuals in the context of the sell-down and Separation.

With the advent of King IV, the focus of the RemCo has been:

- revising our remuneration policy covering all elements of remuneration for all employees;
- a broader remit within the terms of reference to ensure wider coverage of remuneration; and
- intensified engagement with investors (being a broader base of minority shareholders, post sell-down) and other stakeholders to ensure feedback; and to communicate changes in policy and approach.

Covered, among others:

- fair and responsible pay including salary benchmarks for all employees, with recommendations to address any anomalies;
- updates from the executive Remuneration Review Panel on risk matters, compliance and conduct-related incidents, and the impact on compensation;
- updates on European Banking Authority and Prudential Regulatory Authority guidelines and policy statements on compensation which will remain relevant until regulatory deconsolidation;
- updates on pensions and benefits across the Group;
- amendment to incentive funding methodology including a peer comparison of bonus pools and bottom-up re-build;
- local and international trends in disclosure of executive pay;
- proposals for retention of senior management through the Long-Term Incentive Plan for 2017 – 2020 and the related financial and non-financial performance metrics; and
- the international mobility strategy and related frameworks.

The Committee is satisfied with the status of remuneration and incentives in the Group, within the current regulatory environment in which the Group operates, provided that more work will be done towards equitable pay across the organisation. It spent considerable time developing appropriate financial and non-financial performance conditions linked to the Long-Term Incentive Plan, in order to align to the interests of our shareholders, while remaining market competitive in this area. We are and will continue to align to King IV (i) in considering fair and responsible pay, and the best way to measure and report this; and (ii) in developing and publishing an updated remuneration policy for our shareholders to consider.

Going forward, time will be spent reviewing and approving the reward component of the new corporate strategy launched in 2018 and, in particular, ensuring reward is aligned to local market conditions post regulatory deconsolidation from Barclays PLC.

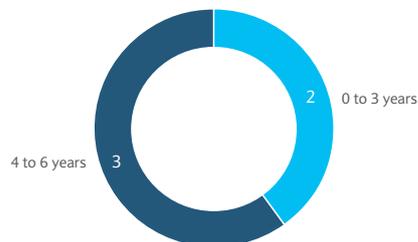
Social and Ethics Committee



Members

Mohamed Husain (Chairman)
Francis Okomo-Okello
Maria Ramos
Monwabisi Fandeso (from September 2017)
Wendy Lucas-Bull

Period served



Attendees

David Hodnett
Peter Matlare
Chief Executive: Human Resources
Chief Executive: Marketing and Corporate Relations
Head of Compliance
Group General Counsel

Mandate

The Committee monitors key organisational health indicators, including ethics management; talent retention and acquisition; labour turnover; wellness; learning and development reach and spend; employee relations; diversity and inclusion; conduct and reputation risks; and the Group's activities having regard to any relevant legislation and codes of best practice on matters relating to:

- social and economic development;
- good corporate citizenship;
- ethics and conduct;
- sustainable development;
- labour and employment;
- consumer relations;
- stakeholder management;
- transformation;
- the environment; and
- health and safety.

The Committee oversees and evaluates management's performance against the Balanced Scorecard on all non-financial matters.

Covered, among others:

- the code of conduct (The Barclays Africa Way), which outlines the Purpose and Values which govern our ways of working across our business; and the related conduct and reputation risk frameworks;
- the outcomes of Internal Audit and Compliance's assurance activities on conduct and ethics;
- the Employment Equity Plan for 2017 – 2022 and the BEE scorecard (and developments regarding the Financial Sector Charter);
- the key indices against which Barclays Africa reported disclosures in 2016 (Carbon Disclosure Project; Dow Jones Sustainability Index; FTSE 4Good Environmental Social Governance Index); and the sustainability frameworks and disclosures against which we will report going forward;
- the advertising and marketing approach; advertising campaigns; the sponsorship portfolio; and the performance of the Barclays Africa brand having regard to the impact of the Separation;
- the Group's environmental targets and impact (energy; water; carbon; renewables; and paper);
- the status of premises' health and safety; related assurance programmes; and the introduction of technology to better track, manage and report health and safety;
- the approach to customers in certain key businesses including retention strategies, complaint management, and actions to address thematic root causes;
- necessary actions to fully comply with King IV's provisions on ethics, stakeholder engagement, and citizenship going forward;
- the stakeholder engagement framework (including the critical stakeholder identification principles and the stakeholder management approach); and
- the execution of the Shared Growth strategy (Citizenship initiatives, targets and spend), and the Citizenship strategic governance review to streamline Citizenship governance, and to re-focus activities in line with the post sell-down business strategy and brand development.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

The Committee will continue focusing on stakeholder management, good corporate citizenship, customer relationships, conduct and reputation risk, ethics management, labour and employment matters, diversity and inclusion, and broad-based black economic empowerment.

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	30	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	10					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

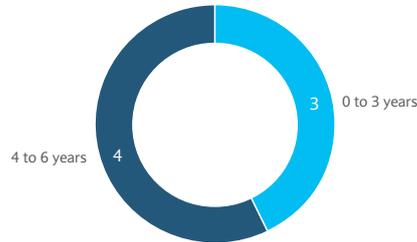
Information Technology Committee



Members

Alex Darko (Chairman) (from May 2017)
 Ashok Vaswani (until end June 2017)
 David Hodnett
 Jason Quinn
 Maria Ramos
 Monwabisi Fandeso (from September 2017)
 Patrick Clackson (until end April 2017)
 Peter Matlare
 Wendy Lucas-Bull

Period served



Attendees

Chief Information Officer
 Chief Operations Officer
 Chief Risk Officer

Mandate

The Committee assists the Board with effective oversight and governance of technology and information for Barclays Africa. King IV distinguishes between governance oversight of (i) the organisation's information assets, and (ii) the technology infrastructure used to generate, process and store that information. The Committee's mandate has been updated accordingly.

Covered, among others:

- technology stability, resilience, and risk in South Africa and the Rest of Africa;
- top technology priorities:
 - customer stability and live security threats;
 - regulatory commitments; and
 - technological separation from Barclays PLC;
- technology cost analysis and investment spend (and related benefits);
- the analysis of change impact (volumes) and remedial actions taken on people risk (key man dependencies, and unexpected events);
- management's actions to improve operational stability of the Group's payments systems;
- core infrastructure and platforms in the Rest of Africa operations;
- progress on a new digital strategy, to strengthen the Group's position as a digital bank in Africa;
- progress on the implementation of the Group's cybersecurity strategy, noting the build-out of local capacity in this area having regard to the Separation;
- progress of disaster recovery and data centre migration in South Africa, as well as the Rest of Africa;
- implementation of the Group's technology strategy, focusing on reducing the application portfolio, moving applications to more efficient platforms and the continuous engineering of processes, applications and development;
- engagement with various regulators regarding the use of a production cloud environment;
- improvement of system availability and stability and its impact on customers and employees, as well as the Group's ability to respond to incidents; and
- together with the Board Finance and Group Risk and Capital Management committees, outsourcing of certain IT services to external providers, in relation to the Separation.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

The Committee will continue its focus on the Barclays Africa infrastructure, system availability and stability, technology risk, converged security, people risk within technology, data centre migration, cloud migration, digital transformation and innovation, and technology separation in 2018.

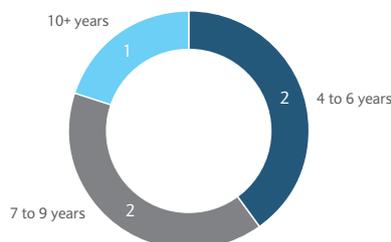
Board Finance Committee



Members

Yolanda Cuba (Chairman)
Colin Beggs
Mark Merson
Paul O'Flaherty
Trevor Munday
Wendy Lucas-Bull

Period served



Attendees

Maria Ramos
Jason Quinn

Mandate

The Committee assists the Board in approving certain levels of investments and types of transactions within its mandate. The Committee is also mandated by the Barclays Africa and Absa Bank boards to consider and approve their dividend declarations within the parameters determined by the boards, and to finalise the profit commentary as it relates to interim and year-end financial results.

The Committee considers, and recommends to the Board the medium-term plan developed in terms of the Group strategy.

Covered, among others:

- progress of the property consolidation strategy upgrades throughout the portfolio;
- the disposal of certain private equity investments; and supplier and outsource contracts with technology providers in particular for local area network, wide area network, voice, and ATM services;
- taking up of an inaugural loan from the China Development Bank;
- development of the international operations strategy for securities and payment licences in the context of the Separation;
- a committed liquidity facility from the South African Reserve Bank pursuant to the Basel III liquidity requirements;
- outsourcing certain IT applications maintenance and development, supported by the GRCMC and the ITC; and
- the medium-term plan for 2018 – 2020 including the Separation contributions received and financial implications thereof.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, and will continue executing its mandate and challenging management on the setting of budgets relative to the Group's new strategy as well as approving investments and disposals.

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	10	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

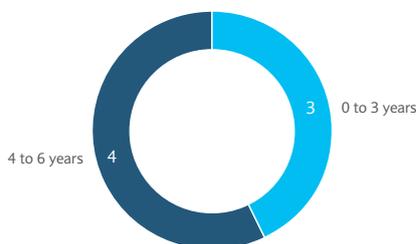
Credit Concentration Risk Committee



Members

Trevor Munday (Chairman until end March 2017; remains member)
 René van Wyk (Chairman from April 2017)
 Daisy Naidoo
 David Hodnett
 Jason Quinn
 Maria Ramos
 Wendy Lucas-Bull
 Yolanda Cuba

Period served



Other quorum members

Chief Credit Officer
 Chief Risk Officer

Mandate

The Committee's main mandate is to consider and approve all large exposures including single-name exposures, key country risk limits, mandate and scale limits, and maximum exposure guideline levels with reference to the risk appetite of the Group as approved by the Board from time to time.

Covered, among others:

- mortgages and unsecured lending mandate and scale;
- levels of wholesale and retail credit including material concentrations, watch list clients as well as sector and geographic trends;
- key sectors including agriculture (primary and secondary), banking, manufacturing, mining and metals, property, retail, power, and public sector;
- foreign exchange rate risk;
- country and sovereign limits for the Group's Rest of Africa portfolio and specific reviews of Kenya, Ghana, and Nigeria;
- stress triggers; stress losses; and mandate and scale; and
- credit facilities to those clients above 10% of the Group's qualifying capital and reserves.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and relevant legislation and regulation, and in particular to large exposures. The Committee's coverage was expanded to include the retail sector in the year under review.

The Committee will continue to undertake industry and product-specific reviews, having regard to prevailing economic conditions and assessing the risk profile of the Group's large exposures and concentrations in the context of risk appetite.

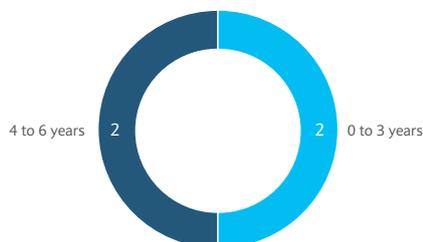
Models Committee



Members

Jason Quinn (Chairman)
David Hodnett
Maria Ramos
Chief Risk Officer

Period served



Attendees

Peter Matlare
Head: Model Risk and Development
Chief Executive: WIMI

Mandate

The Committee is the designated committee responsible for approving Barclays Africa's material risk models on inception and annually thereafter, in accordance with guidelines set out in the relevant policy and by the South African Reserve Bank and other applicable regulatory requirements.

Covered, among others:

- model development and implementation priorities for 2017, particularly the development of new IFRS 9 retail and wholesale models for South Africa and Rest of Africa, in advance of their implementation on 1 January 2018;
- the reconciliation between Barclays Africa's retail and wholesale credit economic capital; and regulatory capital;
- business acceptance for economic capital risk;
- progress on the development and implementation of IT infrastructure to support the governance of models;
- the Group's regulatory capital, economic capital, wholesale, retail impairment models (both IAS 39 and IFRS 9) and other Group-level material models in accordance with the model risk policy and based on the recommendations of the independent validation unit; and
- the implementation of appropriate post-model adjustments.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

The Committee will continue monitoring compliance with regulatory standards set by the South African Reserve Bank and other regulators in 2018.

Our reporting approach	IFC	Our reporting suite	IFC	Chairman's letter	2	About Barclays Africa	10	Balanced Scorecard summary	30	BBBEE	48
Leadership reflections	2	About our integrated report	IFC	CEO's letter	6	Our business model	12	Company	32	Financial Director's review	51
Group overview	10	Reading this report	1			Operating environment	14	Customer & Client	34	Risk management review	58
Performance reviews	30					Integrated planning	18	Colleague	38		
> Governance review	62					Separation update	20	Citizenship	41		
> Remuneration summary	81					Corporate strategy	24	Conduct	44		
Contact details	IBC					Our organisational structure	28				

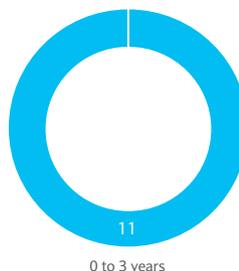
Separation Oversight Committee



Members

Wendy Lucas-Bull (Chairman)
 Alex Darko (from July 2017)
 Colin Beggs
 David Hodnett
 Jason Quinn
 Maria Ramos
 Mohamed Husain
 Paul O'Flaherty
 Peter Matlare (from September 2017)
 René van Wyk (from March 2017)
 Trevor Munday
 Chief Risk Officer

Period served



Attendees

Separation Project Director
 Group General Counsel

Following Barclays Africa's announcements on 31 May and 1 June 2017 (terms of Separation signed, and Barclays PLC's sell-down of its interest in Barclays Africa from 50.1% to 23.4%) the Committee (established as an *ad hoc* committee in March 2016) amended its terms of reference (and its name) to reflect its revised mandate to provide oversight of the execution of the Separation. Specific decisions in relation to the Separation activities rest with the relevant Board committees, in accordance with their respective mandates. This Committee will remain in place until the completion of the Separation (approximately three years).

Covered, among others:

- the transitional governance framework in terms of the Separation Agreement which applies until regulatory deconsolidation, and the governance structure put in place to manage the Separation to conclusion;
- the critical path to Separation with appropriate sequencing, dependencies, capabilities, capacity and migration management;
- progress, scope management and the impact of regulatory and stability changes;
- prioritising and managing strategic investments as a single book of work across the business;
- the status of service management by Barclays PLC under the three-year Transitional Service Agreement (comprising 129 material service schedules);
- various regulatory submissions, and the regulatory engagements with (i) the South African Reserve Bank and the Prudential Regulatory Authority as part of the process for Barclays PLC to achieve regulatory deconsolidation, and with (ii) the regulators for the Rest of Africa countries (who are also updated through the College of Regulators facilitated by the South African Reserve Bank);
- application for and setting up of certain international entities in the United Kingdom and United States with trading licences for business previously performed by Barclays PLC;
- Barclays PLC providing the cash equivalent of 1.5% of Barclays Africa shares (R1 891 m) to the independent Absa Empowerment Trust in September 2017, and the appointment of independent trustees to that structure;
- the further reduction by Barclays PLC of its shareholding in Barclays Africa to 14.9% on 1 December 2017;
- the manner in which the necessary capital support is provided to each of the Rest of Africa country banks to enable the required Separation investments to be made; and
- the overall financial impact and implications of the Separation, including actual project spend in 2017, and the projected Separation spend for 2018 and beyond.

The Committee noted the risk management that is being applied throughout the Separation programme with appropriate risk assessments, including through independent assurance and internal audit. The Committee is satisfied that it has fulfilled its responsibilities, in accordance with its terms of reference, and will continue acting on its mandate and provide robust challenge to management through the Separation programme.