

Our reporting suite

This integrated report is our primary report to shareholders and other stakeholders and is supplemented by the disclosures outlined below including documents published as part of our annual results announcement on 1 March 2018.



All of the reports listed below are available on barclaysafrica.com and on our interactive report site barclaysafrica2017ar.co.za. Comments or queries regarding these documents can be sent to groupinvestorrelations@barclaysafrica.com or groupsecretariat@barclaysafrica.com

Document	Scope and boundary	Reporting standards/frameworks	Assurance
Integrated report and environmental, social and governance disclosures			
<ul style="list-style-type: none"> • 2017 Integrated Report • 2017 GRI (Global Reporting Initiative) report • 2017 King IV review • 2017 Broad-based black economic empowerment (BBBEE) report • Notice of annual general meeting 2018 	<ul style="list-style-type: none"> • Barclays Africa, including key banking and insurance subsidiaries • BBBEE applies to our South African operations 	<ul style="list-style-type: none"> • International Integrated Reporting Council's (IIRC's) Integrated Reporting <IR> Framework • Companies Act No 71 of 2008 of South Africa • JSE Listings Requirements • King IV Report on Corporate Governance™ for South Africa, 2016 (King IV) • Amended Financial Sector Code • GRI G4 Standards; Financial Sector Supplement and the Greenhouse Gas Protocol 	<ul style="list-style-type: none"> • Internal controls and management attestations • Compliance, internal audit and legal reviews • External audit opinion on financial information, and external assurance on select indicators • Independent BBBEE verification • Board approval, assisted by the Disclosure, Social and Ethics, and Directors' Affairs Committees
Financial, risk and capital management disclosures			
<ul style="list-style-type: none"> • Summarised consolidated and separate financial statements • Annual consolidated and separate financial statements • Pillar 3 risk and capital management report • Financial results booklet and investor presentation 	<ul style="list-style-type: none"> • Barclays Africa including subsidiaries, associates and joint ventures • Note 49.3 of the annual financial statements provides a list of material subsidiaries and consolidated structured entities 	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) • Companies Act of South Africa • Banks Act, No 94 of 1990 • JSE Listings Requirements • King IV 	<ul style="list-style-type: none"> • Internal controls and management assurance • Compliance and internal audit and legal reviews • Board approval, assisted by the Group Audit and Compliance, and Group Risk and Capital Management Committees • External audit opinion (within the consolidated and separate financial statements)

Important shareholder dates

1 March 2018	2017 full year results announcement and 2017 final dividend declaration
16 April 2018	Final dividend payment
15 May 2018	Annual general meeting
1 August 2018¹	2018 interim results announcement and interim dividend declaration
17 September 2018¹	Interim dividend payment

¹ Subject to change.

About our integrated report

Barclays Africa Group Limited ('Barclays Africa' or 'the Group') strives to incorporate the principles of integrated thinking and reporting. This report aims to help the reader understand how we define and measure our value creation while executing our primary purpose – which is to help people achieve their ambitions by responsibly and sustainably, fulfilling their financial services needs.

The Separation and normalisation

On 1 June 2017, Barclays PLC executed the sell-down of its controlling interest in Barclays Africa, as part of our transition to being a standalone financial services group. The 'Separation' refers to the programme of activities over approximately three years which will disengage the businesses from one another.

Financial reporting changes

As part of its divestment, Barclays PLC contributed R12.6bn to Barclays Africa mainly in recognition of the investments required to separate the businesses. This is being invested primarily in rebranding, technology and other Separation-related projects, and it is expected that it will neutralise the capital and cash flow impact of Separation investments on the Group over time.

The Separation will have an impact on the Group's financial results for the next few years, most notably by increasing the capital base in the near term and generating endowment revenue thereon, with increased costs over time as the Separation investments are concluded. International Financial Reporting Standards (IFRS) require that the contribution is recognised directly in equity, while the subsequent investment expenditure (including the depreciation or amortisation of capitalised assets) will be recognised in profit or loss. The aforementioned will result in a disconnect between underlying business performance and the IFRS financial results during the Separation period. Normalised financial results will therefore also be disclosed while the underlying business performance is materially different from the IFRS financial results.

Scope and boundary

Reporting period

This annual integrated report, covers the period 1 January 2017 to 31 December 2017. Any notable events after 31 December 2017 up until the Board approving the report on 12 March 2018 are included.

Scope

This report encompasses the activities of Barclays Africa Group, and our banking and insurance subsidiaries. The BBBEE information applies only to our South African operations.

Financial and non-financial reporting

Our integrated report includes information regarding stakeholder relationships, material matters, risks and opportunities and our forward-looking strategy.

Audience

This is our primary report, aimed at our shareholders, but contains information relevant to our other stakeholders.

Forward-looking statements

This report contains statements that relate to future operations and performance of the Group. These statements are not guarantees of future operating, financial or other results and involve uncertainty, as they rely on future circumstances – some of which are beyond our control. Therefore, ultimate results and outcomes may differ.

Stock of capital – the Six Capitals and our Balanced Scorecard

Our operations benefit from a number of key resources and stakeholder relationships. Through our business activities, we increase, decrease or transform the Six Capitals, as defined in the IIRC's <IR> Framework. Some impacts are easy to identify, quantify and manage, while others are complex and require us to actively consider and manage trade-offs. We believe our Balanced Scorecard – Customer & Client, Colleague, Citizenship, Conduct and Company – provides a suitable framework for measuring our business activities' impacts on the Six Capitals.

Financial



Balanced funding mix and solid equity position to support operations and business activities of taking deposits and lending.

Human



- Engaged employees within a diverse workforce
- Competent and skilled professionals

Intellectual



- Safe, effective information and technology infrastructure
- Institutional knowledge and specialised skills and expertise
- Strong brand

Manufactured



Infrastructure (including property, equipment and digital) used in the production of services and the delivery of products to customers

Natural



- Carbon emissions (air quality) management
- Water and waste management

Social and relationship



Collaborative relationships with a wide range of stakeholders including regulators, suppliers and the communities in which we operate. Contributing to socioeconomic development and societal wellbeing through our Shared Growth philosophy.

Materiality

We include information in the integrated report based on the principle of materiality. Material matters are those which have influenced, or could influence, our ability to create value over the short, medium and long term as we pursue our ambition to have a positive impact on society and deliver shareholder value.

Our ability to create value is impacted by a multitude of factors ranging from the operating environment and our responses to the risks and opportunities ¹⁶ to our business model and our chosen strategy ²⁴. Through this report we provide the context for what we have deemed our material matters and how we are managing and governing our responses. Our Balanced Scorecard provides a suitable framework for reporting back on our performance and is presented along with our risk, governance and remuneration structures which support value creation. Our material matters have remained fundamentally the same as in 2016 with the Separation being a material matter extending across all elements of our Balanced Scorecard.

 Company	 Customer & Client	 Colleague	 Citizenship	 Conduct
Sustainably growing revenue and delivering appropriate shareholder returns while managing the risks arising from the operating environment as well as the Separation.	Understanding customers' and clients' needs while ensuring trust and safety and providing relevant customer and client value propositions through a balanced distribution model that is engineered for the future.	Maintaining a diverse workforce of capable, committed and motivated employees with distributed leadership who are focused on, and empowered to, deliver on our strategic ambition.	Having a positive impact on society by investing in education small and medium business development and financial inclusion, while responsibly managing our environmental impact.	Driving ethical behaviour and delivering appropriate products and services compliant with the regulatory requirements and our social licence to operate.

Our Values

Our Values – Respect, Integrity, Service, Excellence and Stewardship – define the way we think, work and act.

Assurance

Our external reports contain a range of information which is governed by a diverse set of regulations, frameworks and codes. Processes and systems are not equally mature across the reports. For integrated reports specifically:

- disclosures are evolving alongside integrated reporting practices;
- management applies significant judgement in deciding what information to report;
- interpretive, abstract, qualitative or forward-looking information is subjective, which limits the extent of assurance; and
- among other technical challenges, the difficulty in developing suitable criteria and the related records, systems and controls currently inhibit a complete assurance of the content of integrated reports.

Our internal controls, management assurance, and compliance and internal audit reviews support the accuracy of our integrated report. We obtained external assurance on select indicators, and the external auditors have reviewed this report to ensure no information or statements contradict the audited annual financial statements.

We appointed PricewaterhouseCoopers Inc. (PwC) and Ernst & Young Inc. (EY) to undertake a limited assurance engagement on selected key performance indicators set out in our Balanced Scorecard (marked with a ^{LA}). The external assurance report issued by PwC and EY that contains their unmodified conclusion, and refers to the basis of measurement for these indicators, is available at barclaysafrica2017ar.co.za.

EY and KPMG Inc. have audited the Group's annual financial statements and have issued an unmodified opinion on these financial statements which are presented in accordance with IFRS.

Empowerdex has verified the BBBEE performance for our South African operations ⁴⁸ (marked with a ^V). They have confirmed a Level 2 BBBEE rating.

Board approval

Assisted by our Disclosure Committee, our Board accepts ultimate responsibility for the integrity and completeness of this integrated report. It is our directors' opinion that this report presents a fair and balanced view of our integrated performance. We believe this report shows we are creating sustainable value and prosperity for our stakeholders.

The Board approved this report on 12 March 2018.

Icons used in this report				
				
Company	Customer & Client	Colleague	Citizenship	Conduct
				
Page reference	Online information	LA Assured indicator	V Verified	
				
Positive increase/decrease	Negative increase/decrease	Unchanged	Increase/decrease	

Reading this report

Through this report we aim to address the key questions around the Barclays Africa journey, encompassing the execution of our current One Africa strategy, the Separation, and our bold new strategy to create sustainable value for all.

Core topics	The information we share with you	Where to look	
The Barclays PLC sell-down and the progress on the Separation.	<ul style="list-style-type: none"> Progress on the execution of the Separation including governance 	Chairman's letter	2
		Chief Executive Officer's letter	6
		Separation update	20
What Barclays Africa looks like now and the role we will play in Africa in the future.	<ul style="list-style-type: none"> A snapshot of Barclays Africa Our structure and our business leaders Our business model and our impacts on the Six Capitals 	Chief Executive Officer's letter	6
		Group profile	10
		Our leadership and organisational structure	28
		Business model and value chain	12
Our operating environment and related opportunities and challenges.	<ul style="list-style-type: none"> Macroeconomic, regulatory and socioeconomic conditions affecting the industry and our business Risks and opportunities identified from ongoing environmental scanning and stakeholder engagement and our responses Factors affecting our financial results 	Chairman's letter	2
		Key market drivers	14
		Top risks and opportunities	16
		Financial Director's review	51
The way forward for Barclays Africa post the Separation; our strategy and resource allocation.	<ul style="list-style-type: none"> Our integrated planning approach, covering the One Africa strategy, the Separation and our new corporate strategy Our new corporate strategy, strategic priorities and enablers to achieve our objectives Outlook/guidance for our future financial performance 	Chief Executive Officer's letter	6
		Integrated planning	18
		Corporate strategy	24
		Separation update	20
The material matters across the Six Capitals, how we have managed these and the value created.	<ul style="list-style-type: none"> Our material matters, how we manage them and our 2017 performance Financial performance analysis including drivers of success and headwinds 	Balanced Scorecard	30
		BBBEE performance summary	48
		Financial Director's review	51
The risks facing our business and how we manage these.	<ul style="list-style-type: none"> The risk horizon, risk impacts and our mitigating actions Our enterprise risk management approach Risk performance summary 	Top risks and opportunities	16
		Risk management review	58
Governance of our business and how the Board has dealt with the evolving dynamics.	<ul style="list-style-type: none"> Board competencies and demographic analysis Key governance arrangements Board and management committees Key matters deliberated and assessment against the Board objectives Our response to King IV Board committee feedback 	Chairman's letter	2
		Governance review	62
Our pay policy and decisions made.	<ul style="list-style-type: none"> Our remuneration philosophy Breakdown of pay composition Executive director and prescribed officer pay 	Remuneration summary	81