



# Barclays Africa Group Limited

2015 King III fact sheet



## Our reporting suite



Our 2015 Integrated Report is our primary report. It is supplemented with online disclosures including our financial statements, risk management report and special interest fact sheets (Citizenship, King III and Broad-Based Black Economic Empowerment (BBBEE) for our South African operations) as well as various documents published as part of our annual results announcement on 1 March 2016.

The full suite of reports is available on our corporate website [barclaysafrica.com](http://barclaysafrica.com) and at our interactive report website [barclaysafrica2015ar.co.za](http://barclaysafrica2015ar.co.za).

Report	Reporting frameworks	Assurance
<b>2015 Integrated Report</b>		
Our primary report for communicating with our shareholders and other stakeholders	<ul style="list-style-type: none"> <li>○ International Integrated Reporting Council's (IIRC) &lt;IR&gt; Framework</li> <li>○ South African Companies Act, No 71 of 2008, as amended (Companies Act)</li> <li>○ JSE Listings Requirements</li> <li>○ King Code of Corporate Governance for South Africa (King III)</li> </ul>	<ul style="list-style-type: none"> <li>○ Internal controls and management assurance</li> <li>○ Compliance and internal audit reviews</li> <li>○ External audit opinion on financial information and external assurance on selected key performance indicators</li> <li>○ Board approval assisted by the Disclosure Committee (Group Audit and Compliance Committee sub-committee)</li> </ul>
<b>Financial statements and risk management report</b>		
<ul style="list-style-type: none"> <li>○ Consolidated and separate financial statements including the directors' report, external audit report and the report from our Group Audit and Compliance Committee</li> <li>○ Risk and capital management report</li> </ul>	<ul style="list-style-type: none"> <li>○ International Financial Reporting Standards (IFRS)</li> <li>○ Companies Act</li> <li>○ Banks Act, No 94 of 1990</li> <li>○ JSE Listings Requirements</li> <li>○ King III</li> </ul>	<ul style="list-style-type: none"> <li>○ Internal controls and management assurance</li> <li>○ Compliance and internal audit reviews</li> <li>○ Governance oversight by our Board assisted by our Group Audit and Group Risk and Capital Management Committee</li> <li>○ External audit opinion (the complete opinion statement can be found in the consolidated and separate financial statements)</li> </ul>
<b>Supplementary fact sheets</b>		
<ul style="list-style-type: none"> <li>○ Citizenship (with environment disclosures)</li> <li>○ BBBEE (South Africa)</li> <li>○ King III</li> <li>○ Global Reporting Initiative (GRI)</li> </ul>	<ul style="list-style-type: none"> <li>○ IIRC's &lt;IR&gt; Framework</li> <li>○ King III</li> <li>○ Global Reporting Initiatives (GRI) G4 guidelines</li> </ul>	<ul style="list-style-type: none"> <li>○ Internal controls and management assurance</li> <li>○ Compliance and internal audit reviews</li> <li>○ Governance oversight by our Board assisted primarily by our Social and Ethics and Disclosure Committee</li> <li>○ External assurance conclusion on selected indicators (the complete assurance statement including the scope of work and conclusions is available online)</li> <li>○ BBBEE is independently verified by the National Empowerment Rating Agency (NERA) (our BEE verification certificate can be found at <a href="http://absa.co.za">absa.co.za</a>)</li> </ul>
<b>Other reports</b>		
<ul style="list-style-type: none"> <li>○ 2015 Financial results booklet</li> <li>○ SENS announcement</li> </ul>	<ul style="list-style-type: none"> <li>○ IFRS</li> <li>○ Companies Act</li> </ul>	<ul style="list-style-type: none"> <li>○ Internal controls and management assurance</li> <li>○ Compliance and internal audit reviews</li> <li>○ Governance oversight by our Board assisted by our Group Audit and Compliance and Risk and Capital Management Committees</li> <li>○ External audit review</li> </ul>

## Disclaimer

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



## King III fact sheet

Barclays Africa Group Limited (the Group or Barclays Africa) is a diversified financial services provider offering an integrated set of products and services across personal and business banking, credit cards, corporate and investment banking, wealth and investment management and insurance. With our long-standing presence in 12 African markets and our regional and international expertise, we have a strong platform to capture the growth opportunity in Africa.

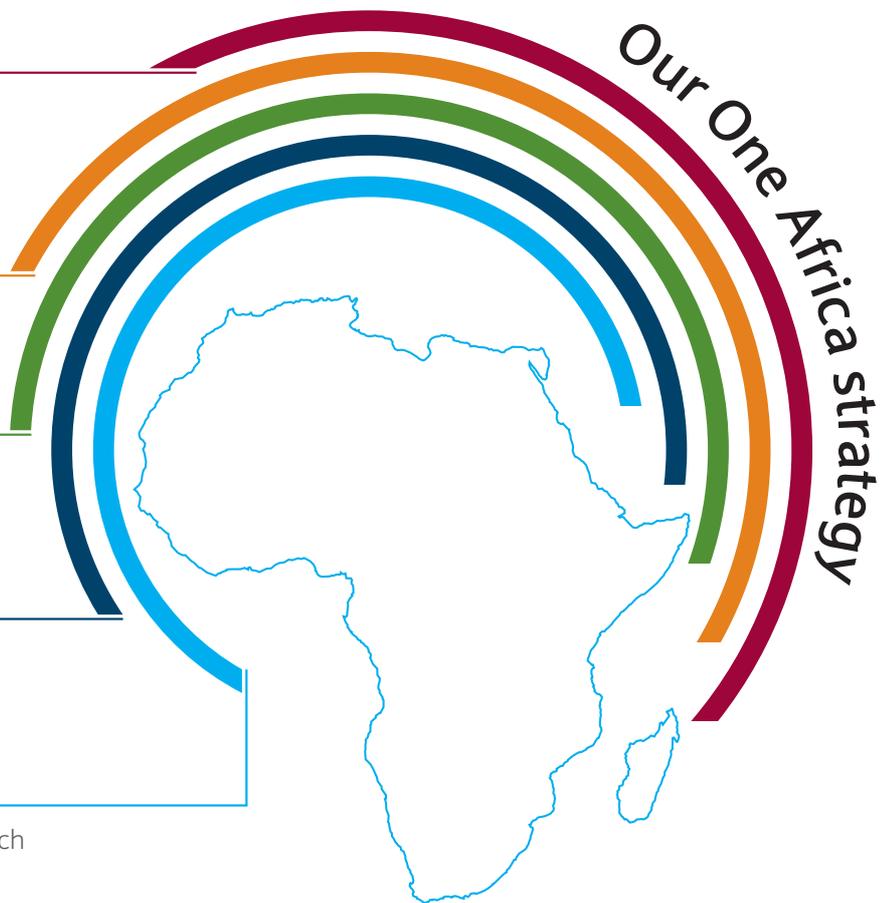
We are driven by **our Purpose** to help people achieve their ambitions in the right way.

We are focused on **our Goal** to be the financial services group of choice in Africa.

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

We are committed to **Shared Growth**, which for us means having a positive impact on society and delivering shareholder value.

Our **Balanced Scorecard** provides a holistic approach to deliver commercial returns while responding to stakeholders' needs.



The success of our business depends on the strength of the communities in which we operate. As a Group, we are committed to developing these communities and economies and in doing so, empowering historically disadvantaged people. Due to the scale and breadth of our activities across African economies, we are uniquely able to contribute to a broad-based and inclusive economic growth.

 This fact sheet provides an overview of our application of the King III principles, with references to other reports for further information, where applicable. This is a supporting document for our 2015 Integrated Report and expands on our corporate governance.

## Compliance with King III principles

Barclays Africa Group Limited has a well-established governance structure, with a focus on continuous improvement. We have embedded the King Code of Governance Principles for South Africa 2009 (King III) and assign specific committees the responsibility for applying King III principles relevant to their mandate.

### Board committees

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

Principle	Description	Compliance
<b>Chapter 1: Ethical leadership and corporate citizenship</b>		
1.1	The board should provide effective leadership based on an ethical foundation.	Our Board provides ethical leadership, promotes strong principles of integrity within the Group and strives to promote reward practices that foster sustainable high performance. The Board is assisted by the SEC and GRHRC.
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen.	We are committed to Shared Growth, which for us means having a positive impact on society and delivering shareholder value. Our SEC is the primary Board committee which oversees the Group's commitment to responsible corporate citizenship.
1.3	The board should ensure that the company's ethics are managed effectively.	<p>We are committed to the highest standards of integrity and ethical behaviour. Our code of conduct (the Barclays Way) outlines the behaviours which govern our way of working across the business. It is a point of reference covering all aspects of employees' working relationships, including those with other Barclays employees, our customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. It is a framework that fosters values-based decision-making and shows how our policies and practices align with our Values.</p> <p>The conduct of employees is monitored in various ways, including surveys and by tracking the number of disciplinary cases, grievances and ethical breaches recorded.</p> <p>Refer to the Conduct balanced scorecard review in our 2015 Integrated Report for further information.</p>
<b>Chapter 2: Boards and directors</b>		
2.1	The board should act as the focal point for and custodian of corporate governance.	<p>Good corporate governance practice is the foundation on which we build value for our shareholders and other stakeholders. We recognise our responsibility to drive ethical, legal and transparent behaviour and to ensure our business dealings are conducted for the benefit of all our stakeholders. Our Board Charter is an important component of the framework that defines our corporate governance practice within the Group. It (i) summarises our corporate governance practices; (ii) details matters reserved for our Board; (iii) defines separate roles for our Group Chairman and our Chief Executive Officer, as well as our Board's expectations of the chairmen of our Board committees, our lead independent director and our directors; and (iv) outlines the mandate for our Board committees.</p> <p>Our Board is assisted in this regard by the DAC.</p> <p>Refer to our Chairman's review and the Governance report in our 2015 Integrated Report for further information.</p>

Principle	Description	Compliance
<b>Chapter 2: Boards and directors</b>		
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	<p>Our strategy is focused on the opportunity for growth. It takes into account the matters we believe are material to our long-term sustainability and our ability to leverage our assets and expertise across the Barclays Africa Group.</p> <p>We believe our ability to create value is directly linked with our ability to effectively address a number of emerging issues and the associated material matters. The external environment continues to evolve rapidly across a broad spectrum of issues. We must be responsive to the market and the resultant risks and opportunities and we therefore continue to monitor and assess the impacts of global, regional and local change. These environmental considerations are a key input into our process of identifying and managing the matters material to our sustainability. We consider a matter to be material when it has the ability to influence our financial performance, our reputation, or impact on our licence to operate.</p> <p>The strategic objectives and policies of the Group are designed to deliver long-term value and provide overall strategic direction within a framework of sound governance, controls and risk management. Our Board ensures that management strikes an appropriate balance between promoting long-term sustainable growth and delivering short-term performance.</p>
2.3	The board should provide effective leadership based on an ethical foundation.	Refer to 1.1.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	Refer to 1.2.
2.5	The board should ensure that the company's ethics are managed effectively.	Refer to 1.3.
2.6	The board should ensure that the company has an effective and independent audit committee.	Refer to chapter 3.
2.7	The board should be responsible for the governance of risk.	Refer to chapter 4.
2.8	The board should be responsible for information technology (IT) governance	Refer to chapter 5.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Refer to chapter 6.
2.10	The board should ensure that there is an effective risk-based internal audit.	Refer to chapter 7.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	Refer to chapter 8.
2.12	The board should ensure the integrity of the company's integrated report.	Refer to chapter 9.
2.13	The board should report on the effectiveness of the company's system of internal controls.	Refer to chapters 7 and 9 and to the GACC report in the annual financial statements.
2.14	The board and its directors should act in the best interests of the company.	<p>The duties of directors include:</p> <ul style="list-style-type: none"> <li>○ Only exercising powers within the authority given and acting in accordance with the Group's Board Charter.</li> <li>○ At all times acting not only in good faith but also in the Company's best interests and to promote the success of the Group for all its stakeholders, while having regard to the likely consequences of any decision in the long term, the interests of employees, the need to further relationships with suppliers and customers, the impact on the community and the environment, and the need to act fairly as between members of the Group.</li> <li>○ Exercising independent judgement in carrying out their duties.</li> <li>○ Exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience.</li> <li>○ Avoiding a conflict of interest between their personal interests and their duties to the Group.</li> </ul>

Principle	Description	Compliance
<b>Chapter 2: Boards and directors</b>		
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	Not applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company should not also fulfil the role of chairman of the board.	Our Group Chairman, Wendy Lucas-Bull, is regarded as an independent director, effective from 1 March 2016. For the duration of 2015, and while our Chairman was not regarded as independent due to her membership of the Barclays PLC and Barclays Bank PLC boards, Trevor Munday was (and continues to be) Lead Independent Director of our Board.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	Maria Ramos, appointed as Chief Executive Officer by our Board on 1 March 2009, operates under a delegation of authority from our Board.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	Our Board has a majority of non-executive directors. As at 31 December 2015, we had 11 non-executive directors, of which seven were independent and two were executive directors. Following the appointment of a new director in February, we now have 12 non-executive directors, of which nine are independent, and two are executive directors.
2.19	Directors should be appointed through a formal process.	Directors are appointed to our Board through a formal and transparent process. It is a matter for our Board as a whole, assisted by the Directors' Affairs Committee (DAC), which consists of a majority of independent directors and is chaired by our Group Chairman.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	Our Group Company Secretary, Nadine Drutman (BCom, LLB, LLM) is regarded by our Board as competent, suitably qualified and experienced. She maintains an arm's length relationship with our Board. She provides guidance to Board members on the execution of their duties and maintains her knowledge of developments in corporate governance best practice and regulation. All Board members have unhindered access to her services in all aspects of our Board's mandate and the operations of the Group.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	Our Board conducts an annual review of its own effectiveness and that of our Board committees. For 2015, an external assessment in respect of our Board, and a peer review were conducted. The directors have rated the Board as a mature and highly functional Board, with experienced and committed directors who fulfil their fiduciary duties and general duties of reasonable care, skill and diligence in an exemplary manner. They believe that they act in good faith and honesty and take decisions that are in the Group's best interests while having regard to the likely consequences of any long-term decisions and the interests of stakeholders to ensure both the current, medium and long-term sustainability of the Group.
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	<p>Our Board takes full ownership of certain key decisions to ensure it retains proper direction and control of the Group and has several committees to help it meet these responsibilities. Our Board is responsible for the performance and affairs of the Group and holds itself ultimately accountable to our stakeholders. Delegating various functions and authorities to committees and management does not absolve our Board and its directors of their duties and responsibilities.</p> <p>The following Board committees exist in the Group:</p> <ul style="list-style-type: none"> <li>○ Directors' Affairs Committee (DAC)</li> <li>○ Group Audit and Compliance Committee (includes the Disclosure Committee) (GACC)</li> <li>○ Board Finance Committee (BFC)</li> <li>○ Group Risk and Capital Management Committee (GRCMC)</li> <li>○ Concentration Risk Committee (CoRC)</li> <li>○ Models Committee (MC)</li> <li>○ Group Remuneration and Human Resources Committee (GRHRC)</li> <li>○ Information Technology Committee (ITC)</li> <li>○ Social and Ethics Committee (SEC)</li> </ul>
2.24	A governance framework should be agreed between the group and its subsidiary boards.	The governance model for our subsidiaries is based on our risk management framework, ensuring that the governance requirements applicable to each entity are congruent with the risk exposure.
2.25	Companies should remunerate directors and executives fairly and responsibly.	Refer to the remuneration report in our 2015 Integrated Report.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	Refer to the remuneration report in our 2015 Integrated Report.
2.27	Shareholders should approve the company's remuneration policy.	Ordinary shareholders of Barclays Africa approve, by means of a non-binding advisory note, the Group's remuneration policy annually at our annual general meeting.

Principle	Description	Compliance
<b>Chapter 3: Audit committee</b>		Refer to our GACC report in our 2015 annual consolidated and separate financial statements.
3.1	The board should ensure that the company has an effective and independent audit committee.	As at 31 December 2015, the membership of our GACC comprised four independent directors. Effective 1 February 2016, the membership increased to five independent directors.
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors.	The members of our GACC are all suitably skilled and experienced independent non-executive directors.
3.3	The audit committee should be chaired by an independent non-executive director.	Colin Beggs, the Chairman of our GACC, is an independent director.
3.4	The audit committee should oversee integrated reporting.	Our Disclosure Committee, a sub-committee of our GACC, oversees integrated reporting in the Group.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.	Our GACC oversees the application of our combined assurance model across the Group.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	Our GACC performs this assessment on an annual basis.
3.7	The audit committee should be responsible for overseeing of internal audit.	Our GACC reviews and approves the annual internal audit plan, as submitted by Group Internal Audit.
3.8	The audit committee should be an integral component of the risk management process.	We have a dedicated committee overseeing the risk management process (our GRCMC) and the Chairman of our GRCMC is also a member of our GACC.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Our GACC performs this function on an ongoing basis.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	Our GACC formally reports to our Board after each meeting and the report of our GACC Chairman is included in our 2015 annual consolidated and separate financial statements.
<b>Chapter 4: The governance of risk</b>		Refer to the 2015 risk management report for further information regarding our risk management approach.
4.1	The board should be responsible for the governance of risk.	Our GRCMC assists our Board with the governance of risk in the Group.
4.2	The board should determine the levels of risk tolerance.	Our GRCMC assesses the levels of risk tolerance and limits of risk appetite and recommends these to our Board for approval.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	Refer to 4.1
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	Our Board has delegated the day-to-day responsibility for risk management to management.
4.5	The board should ensure that risk assessments are performed on a continual basis.	Our GRCMC actively monitors the Group's principal risks as part of its standard agenda.
4.6	The board should ensure that the frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	All risks are identified and steps to mitigate these are outlined, including reasonably unpredictable risks.
4.7	The board should ensure that management considers and implements appropriate risk responses.	Our GRCMC regularly looks at lead and lag indicators and ensures that the Executive Committee has in place appropriate responses to perceived risks.
4.8	The board should ensure continual risk monitoring by the management.	Responsibility for identified risks is assigned to the Chief Risk Officer, a member of the Group Executive Committee, who is required to report on the steps being taken to manage or mitigate such risks.

Principle	Description	Compliance
<b>Chapter 4: The governance of risk</b>		
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	Our Board, through our GACC and our GRCCM, receives this assurance from various providers, in terms of the combined assurance model.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Our GRCCM considers and approves annual and interim risk management reports which are made available to stakeholders via <a href="http://barclaysafrica.com">barclaysafrica.com</a> .
<b>Chapter 5: The governance of information technology</b>		
5.1	The board should be responsible for information technology (IT) governance.	Our ITC assists our Board with the governance of IT. Our GACC and GRCCM have oversight of selected components of IT governance. IT risk management is reported within our principal risk framework under operational risk.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	The mandate of our ITC is to ensure that future IT architecture meets the Group's current operational and future strategic needs.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	Our Board has delegated the day-to-day responsibility for IT governance framework to management.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	Refer to 5.1. This forms part of our ITC's terms of reference.
5.5	IT should form an integral part of the company's risk management.	Refer to 5.1. IT risk forms part of operational risk in the principal risk framework.
5.6	The board should ensure that information assets are managed effectively.	Refer to 5.1. This is within the ITC's terms of reference.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	Refer to 5.1.
<b>Chapter 6: Compliance with laws, codes, rules and standards</b>		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	In the context of the overall obligations of our Board, the duties of our directors include ensuring that we comply with all legislation, regulation, codes and standards.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	Our directors and Board understand and stay abreast of the appropriate laws, rules and codes of standards applicable to the Group. Significant time is spent understanding and addressing the regulatory environment.  Refer to the Chairman's and Conduct reviews in our 2015 Integrated Report.
6.3	Compliance risk should form an integral part of the company's risk management process.	Compliance is an identified significant risk and addressed as part of the risk management process. Compliance reports are presented to our GACC and, where applicable, our GRCCM.  Refer to the Conduct review and risk summary in our 2015 Integrated Report as well as our full 2015 risk management report.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	Our Board delegates this to the Group Compliance function.
<b>Chapter 7: Internal risk</b>		
7.1	The board should ensure that there is an effective risk-based internal audit.	A risk-based internal audit is in place.
7.2	Internal audit should follow a risk-based approach to its plan.	A risk-based approach is followed by internal audit.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.	This assessment is provided by our Group Internal Audit to our GACC in advance of annual and interim reporting.
7.4	The audit committee should be responsible for overseeing internal audit.	This function is included in our GACC terms of reference. Also refer to 3.7.

Principle	Description	Compliance
<b>Chapter 7: Internal risk</b>		
7.5	Internal audit should be strategically positioned to achieve its objectives.	Internal Audit is independent, with reporting lines to our Chief Executive Officer and to our GACC, enabling it to achieve their objectives.  Refer to our GACC report in the 2015 annual consolidated and separate financial statements.
<b>Chapter 8: Governing stakeholder relations</b>		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	We have a decentralised stakeholder engagement model designed around our main stakeholder groups. We use various policies and methodologies to govern communication and conduct with stakeholders to cater for their diverse and sometimes conflicting interests and concerns. This is a continuous process and our policies and methodologies are widely informed by best practice, corporate governance and legislative requirements, as well as risk and reputation management principles.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	Management is responsible for maintaining stakeholder relationships and for obtaining input from our various stakeholders, through different forums, methodologies, surveys, interactions and platforms.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	Consideration is given by our Board to all relevant stakeholder groupings. The means of assessing whether appropriate balance is achieved, remains a work in progress.
8.4	Companies should ensure the equitable treatment of shareholders.	In terms of our Board Charter, our directors must act in a way they consider, in good faith, would promote the success of the Group for the benefit of the shareholders as a whole and, in doing so, have regard (among other matters) to the need to act fairly between shareholders of the Group.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Refer to 8.1.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Our Board ensures that there are parties within management who are responsible to resolve disputes as effectively as possible.
<b>Chapter 9: Integrated reporting and disclosure</b>		
9.1	The board should ensure the integrity of the company's integrated report.	The Board is responsible for the integrity of the integrated report and is assisted in this regard by the Disclosure Committee which is a subcommittee of the GACC.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	Our integrated report is our primary report for communicating with our stakeholders. This report focuses on our material matters and takes the operating environment, current performance and stakeholder feedback into account. Our executive management and Board deem these matters to be those that have the ability to influence our financial performance, our reputation or to impact on our licence to operate. We measure, and report back on, our progress through our Balanced Scorecard which provides a holistic approach to deliver commercial returns while responding to stakeholders' needs.
9.3	Sustainability reporting and disclosure should be independently assured.	PwC and EY have provided limited assurance over selected key performance indicators (marked with <sup>LA</sup> ) in the 2015 Integrated Report in which they express an unmodified conclusion. The independent assurance statement is available on <a href="http://barclaysafrica.com">barclaysafrica.com</a> .