

# Barclays Bank Kenya

2015 Annual results announcement  
4 March 2016



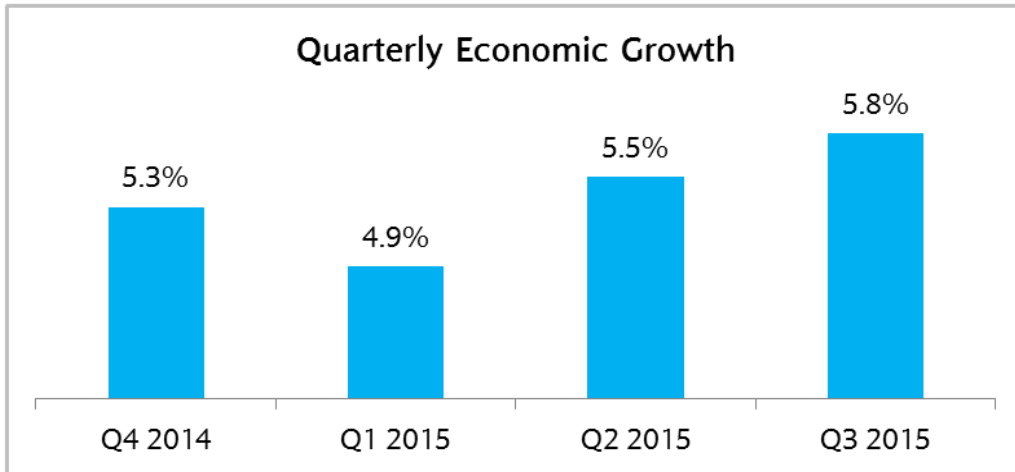
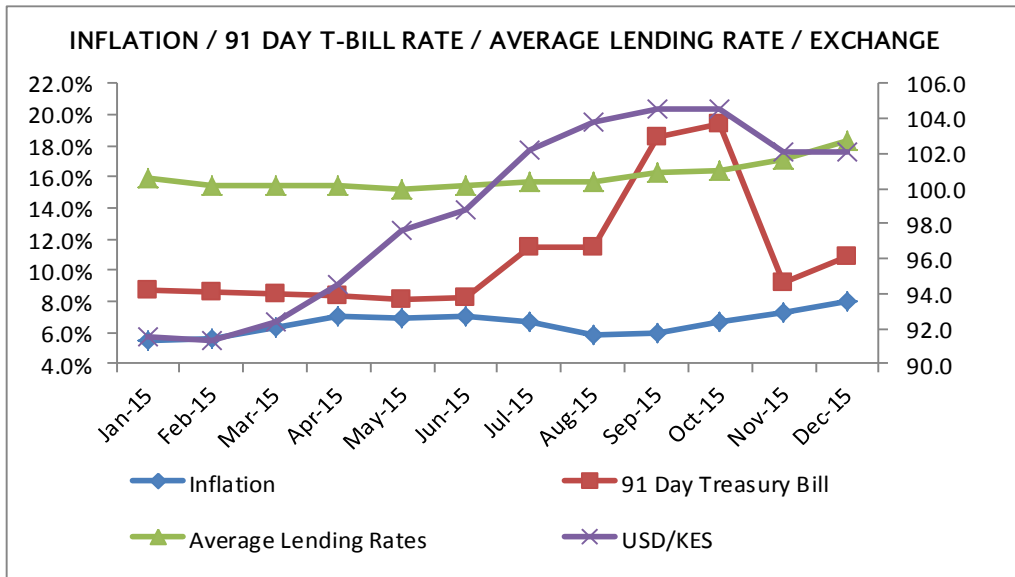
Francis Okomo Okello

Barclays Kenya Chairman

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# Macro Economic Outlook

# Volatile macro economic environment in 2015



- Significant swing on T-bill
- Inflation gradually rose above CBK upper limit of 7.5%
- 13% depreciation in exchange rate (USD/KES)
- Relatively high lending rates
- Firm GDP growth at 5.8%

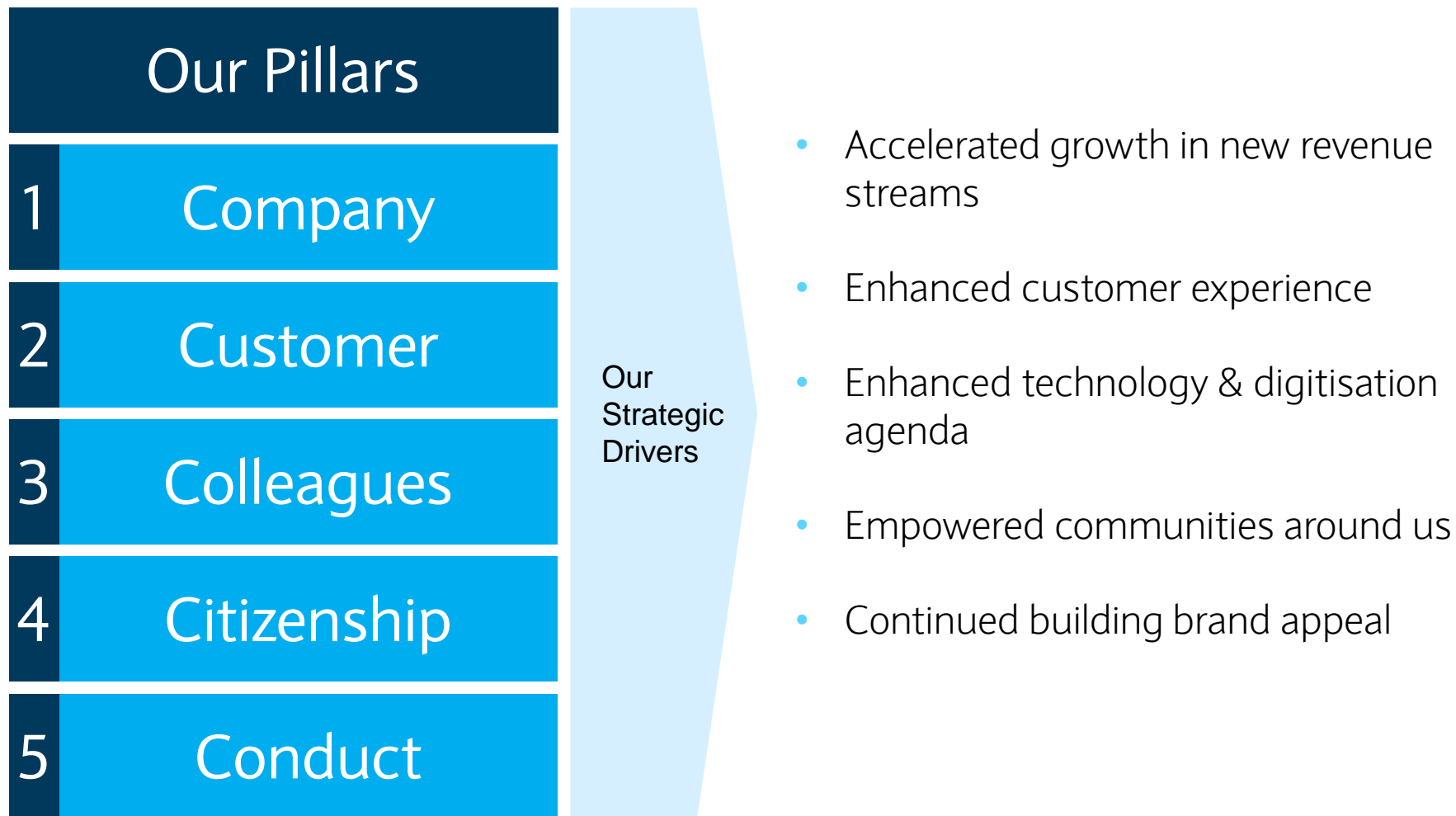
\*Sources: Reuters, Barclays Africa Research, CBK

Jeremy Awori

Barclays Kenya Managing Director



# In 2015, we executed our strategic agenda



# We accelerated growth in new revenue streams...



Everything you need to own property under one roof.  
Barclays Plaza, Loita St, 1st Floor / 020 3267000

**Own property. Prosper.**

The Mortgage Centre



- Accelerated Bancassurance progress
- Growth supported by launch of Mortgage & Asset Finance centres of excellence
- Revamped Agri-business proposition
- Focused engagement & growth in large local corporate
- Reinforced our commitment to SME sector

# ...while unlocking potential in our youth and women



To open new doors for your small to medium enterprise, visit your nearest branch or call us on 020 390 0000 or 0722 130 120.

Open doors. Prosper.

SME Banking



- Focused lending to women
- Accelerated Innovation agenda
- Launched Ready2work
- Partnership with ITC to support SME (International Trade Centre)
- Launched youth 'Agripreneurship' program

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# Customer centricity remains core to our business...

Why would you stand in line to deposit cash when you can do it at the ATM?

With more ways to send, pay, deposit and manage your funds, you don't just bank better, you live better.  
[Barclays.co.ke](http://Barclays.co.ke).

Switch to better. **Prosper.**

- Installed Queue management system
- Intelligent ATMs; largest network
- Focused customer engagements
- Customer centric distribution model
- Alternate digital channels



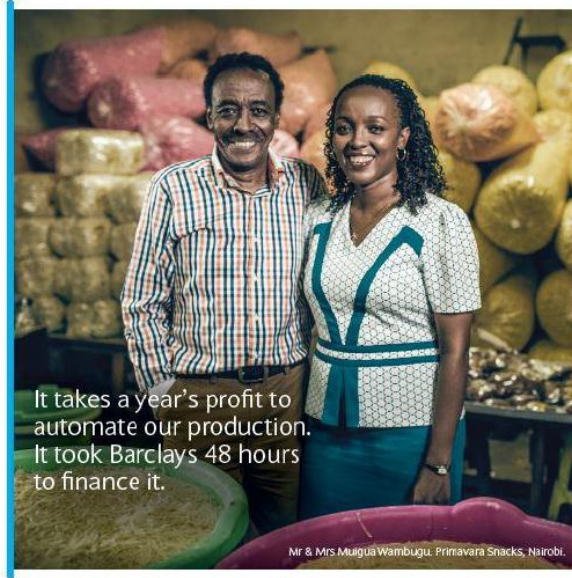
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# ...as we reinforce our brand as the 'Go-To' bank

If it's foreign exchange you're after, there's only one place to go.

Negotiate your own rate on any amount when exchanging currency. You'll also enjoy 0% commission on your transactions, and pay a flat rate of just KES 1,500 on outward transfers. 020 3900 000.

Get more. Prosper.



It takes a year's profit to automate our production. It took Barclays 48 hours to finance it.

Mr & Mrs Muga Wambugu, Primavera Snacks, Nairobi.

To open new doors for your small to medium enterprise, visit your nearest branch or call us on 020 390 0000 or 0722 130 120.

Open doors. Prosper.

SME Banking



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Pay your domestic taxes here

We've partnered with KRA to ensure that you can now pay your domestic taxes quickly, in a single transaction at any branch or using the online portal, Barclays iKey. Speak to us today.

Get things done. Prosper.



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Send and receive cash anywhere in Kenya for 0/-\* with Cashsend

Send money to anyone, anywhere from a Barclays ATM or from Hello Money on your mobile phone.  
\*It's free to send and receive any amount of money between December 15th 2015 and January 15th 2016.  
Call 020 390 0000 or visit your nearest branch to find out more

Cashsend

Bank anywhere. Prosper



Terms and conditions apply. Hello money Subject to network charges. Barclays Bank of Kenya Limited is regulated by the Central Bank of Kenya.

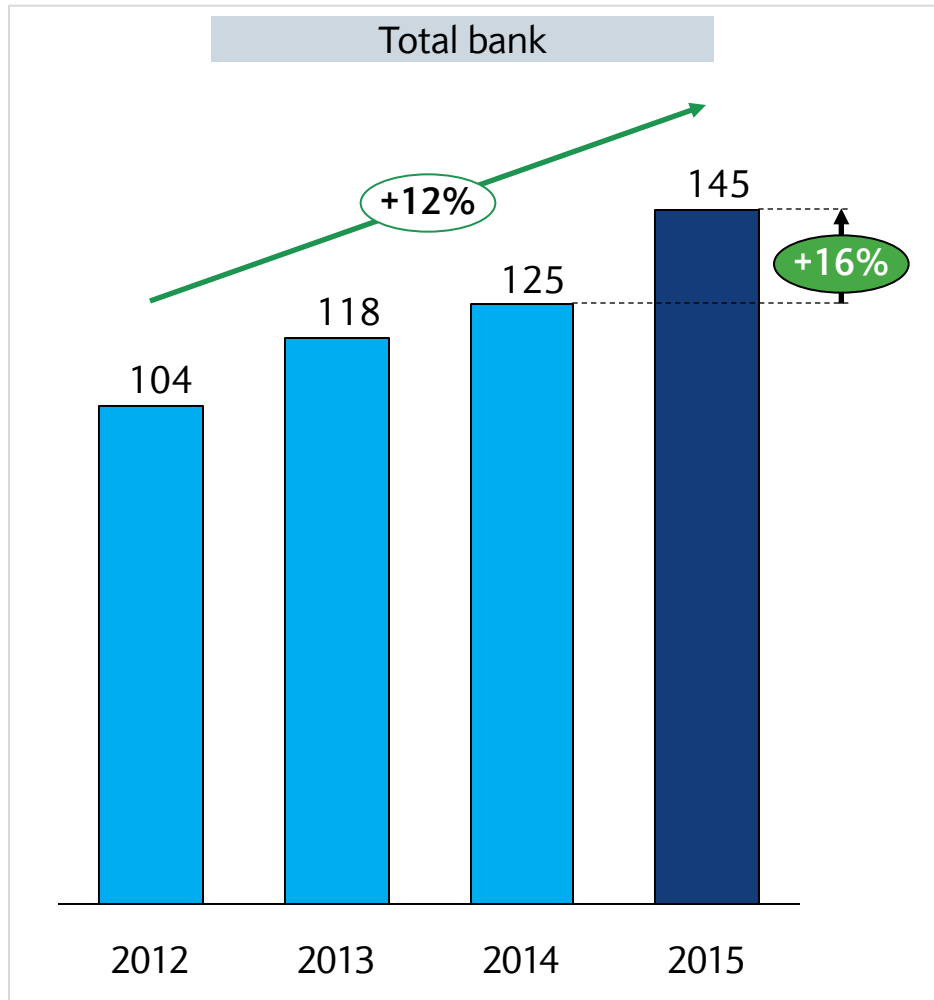
Yusuf Omari

Barclays Kenya Chief Financial Officer

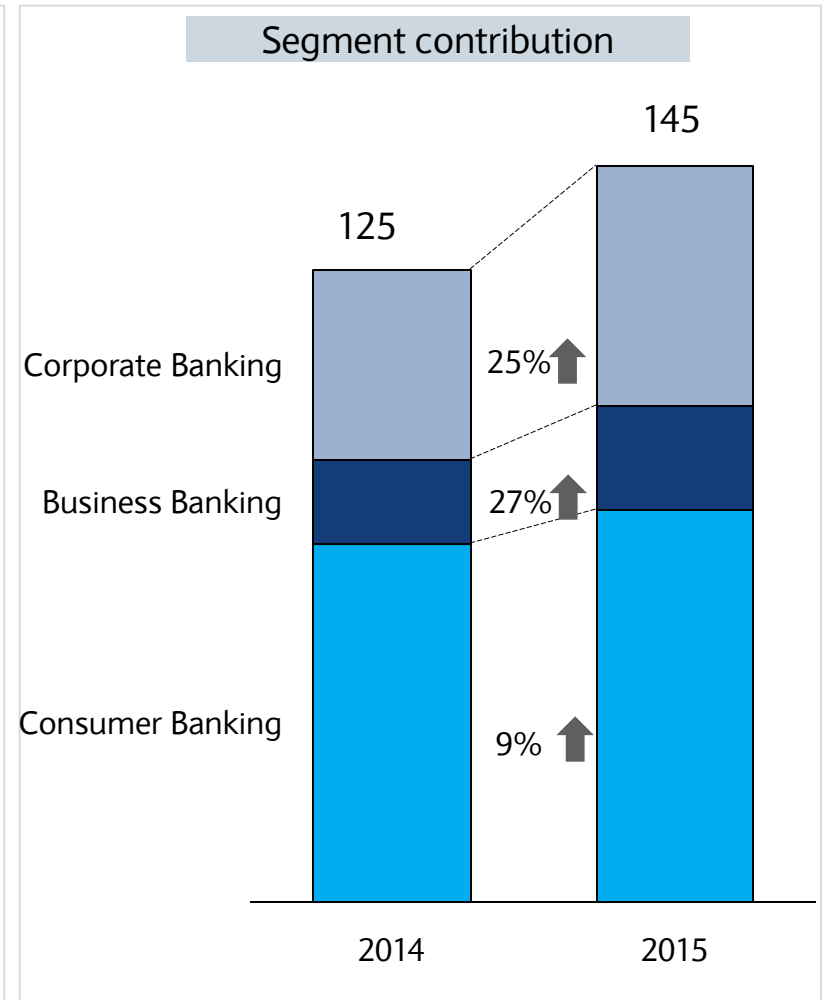


# Strong growth in lending across all segments...

## Net Customer assets (Kes bn)

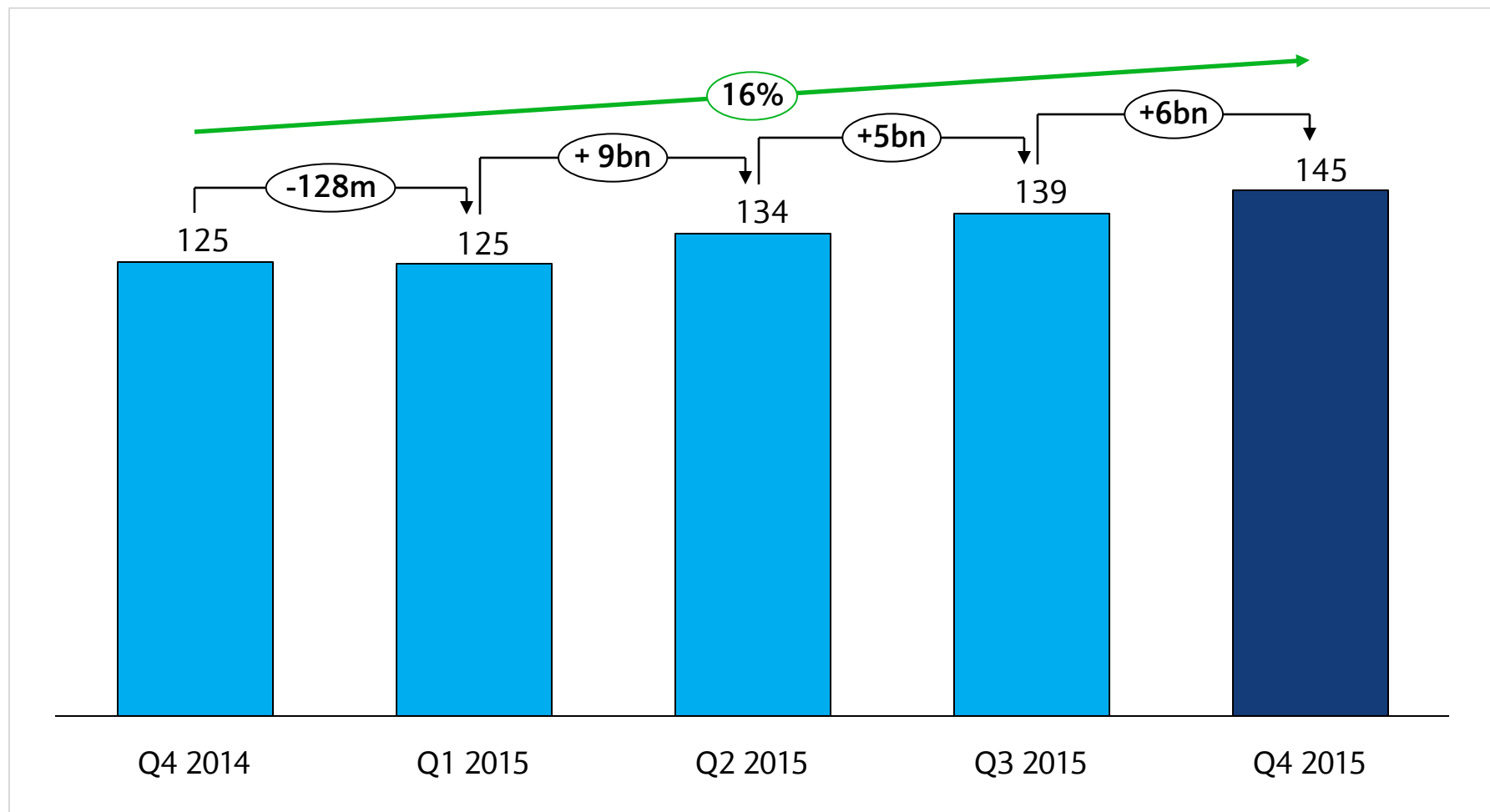


## Loans by segment



# ...with highest growth coming in the second half

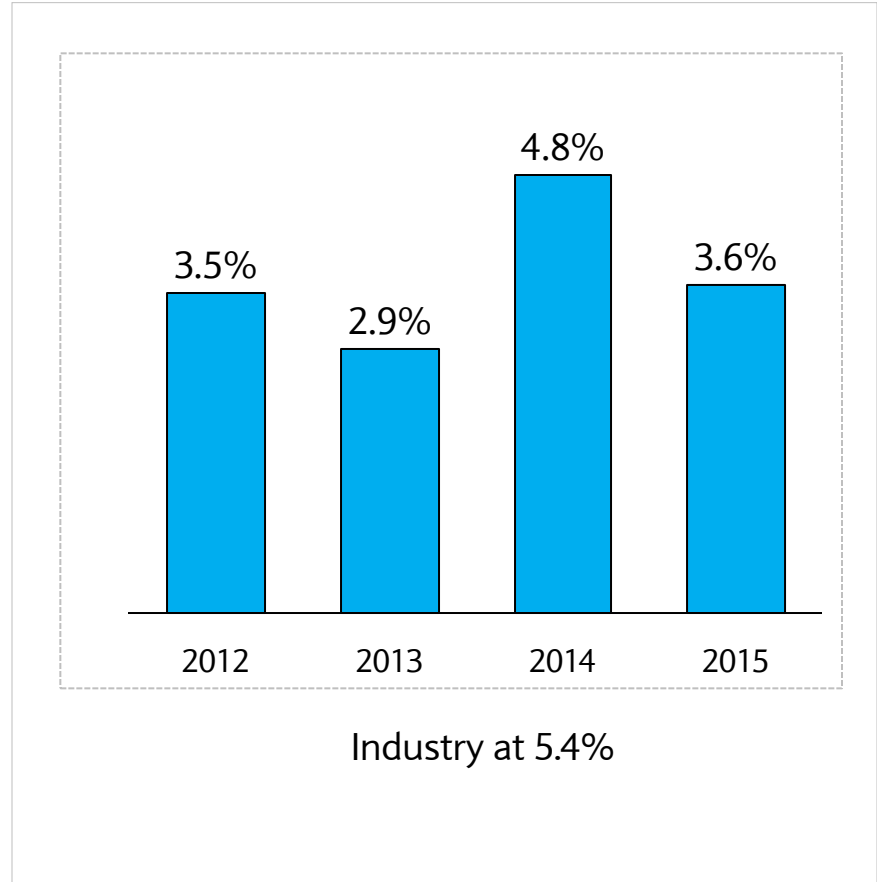
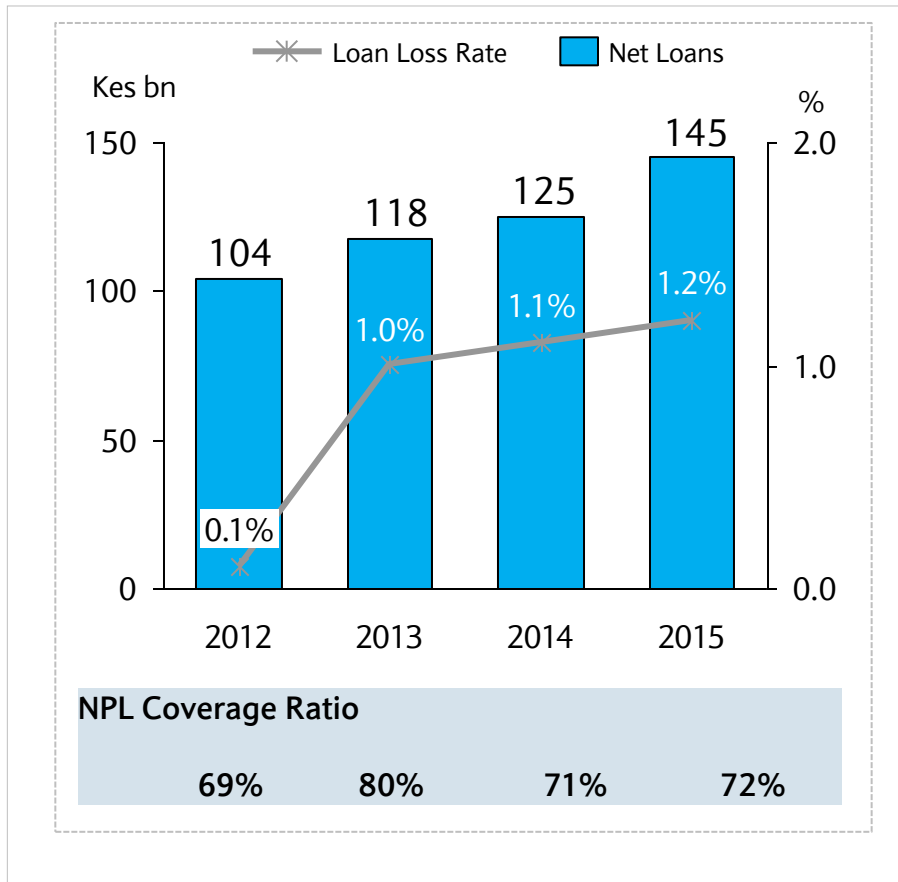
Net Customer assets (Kes bn) – Quarter on Quarter Growth



# Prudence in booking impairment

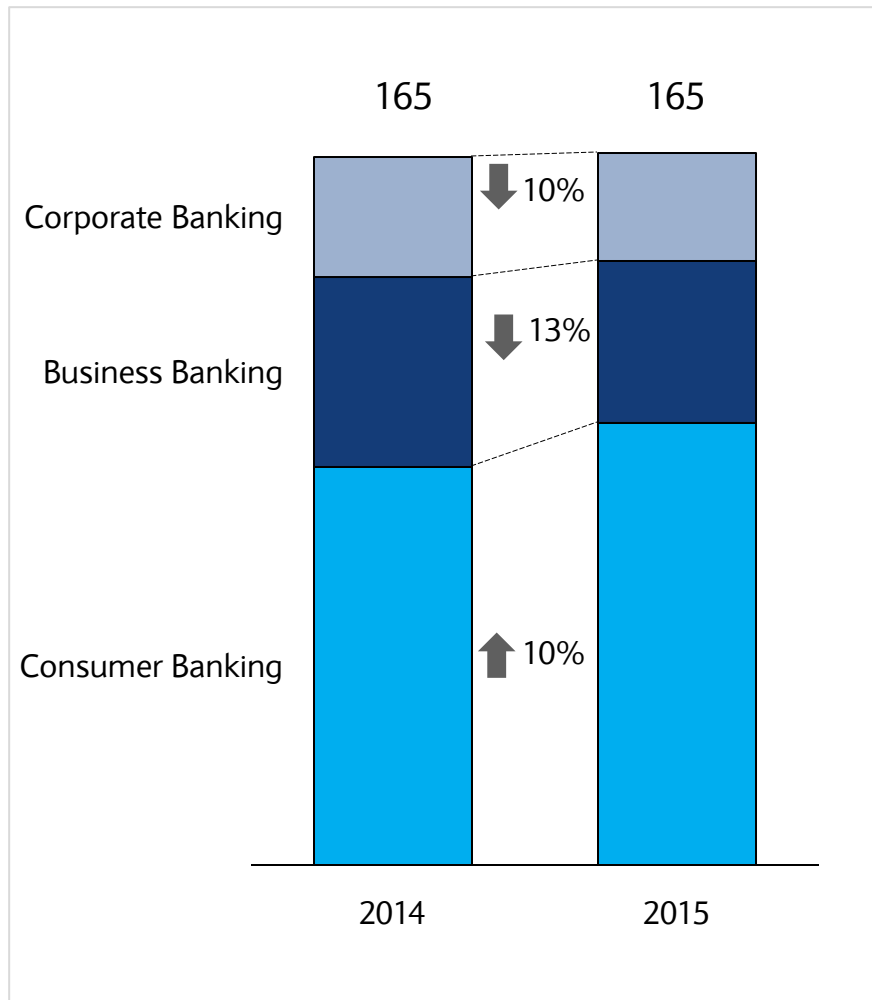
Net Loan Book (Kes Bn)  
Average Loss Rate (%)

Non Performing Loans Ratio

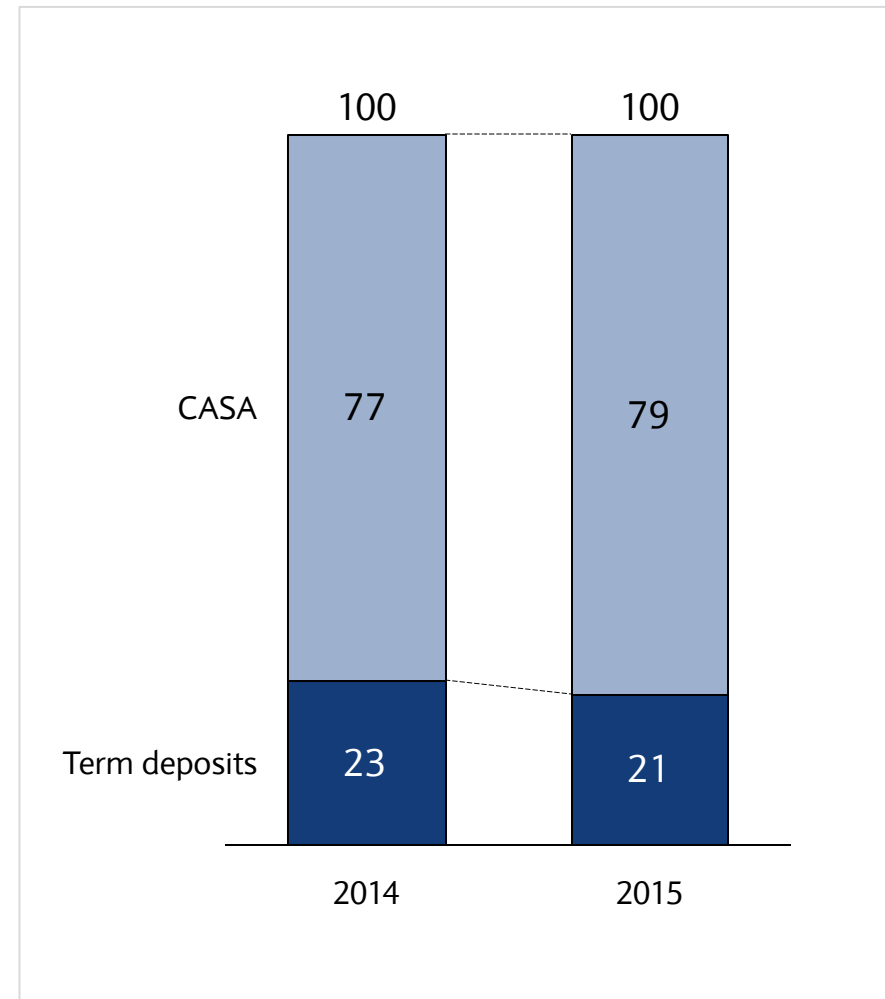


# Changing mix in deposit structure

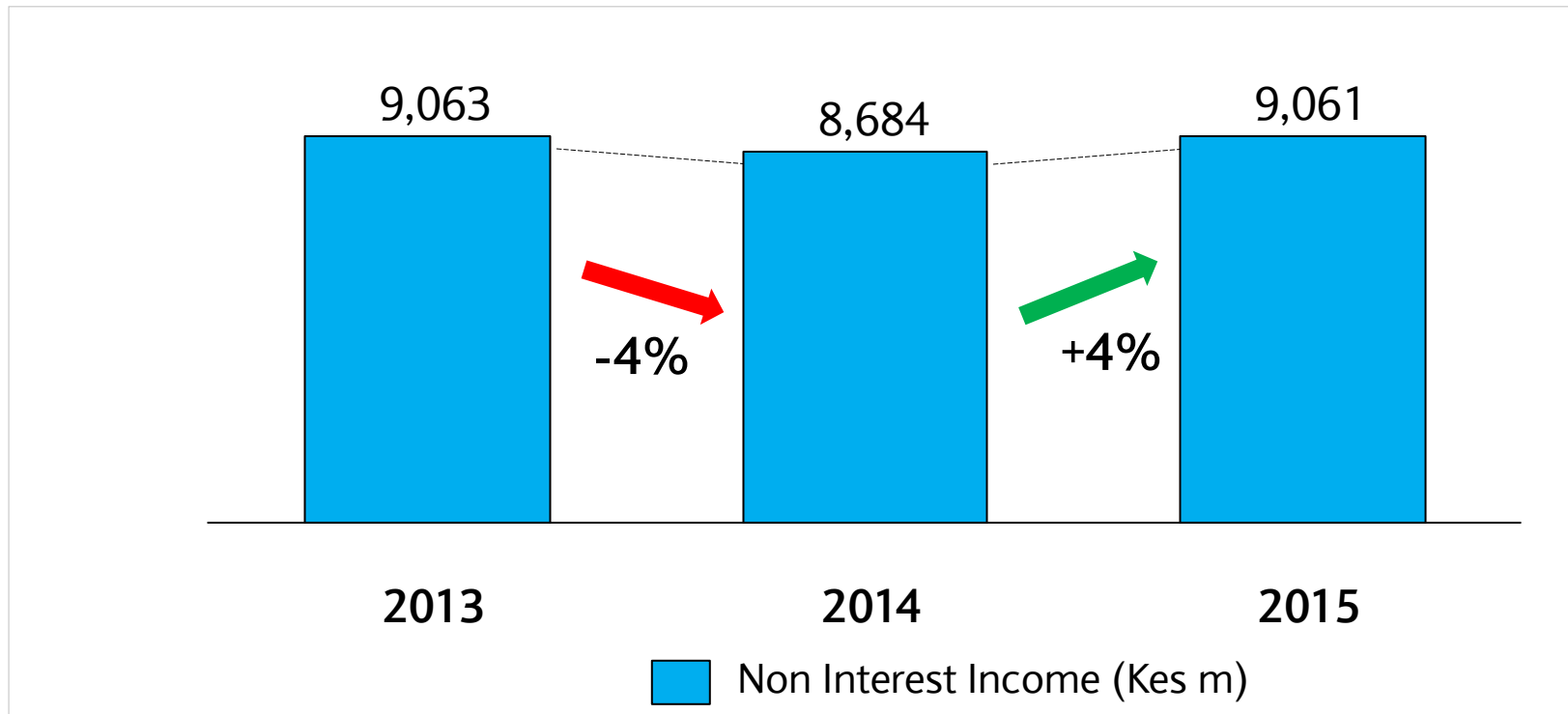
## Deposits by segment (Kes bn)



## Deposits Split (%)



# Growth in non-interest income picking up

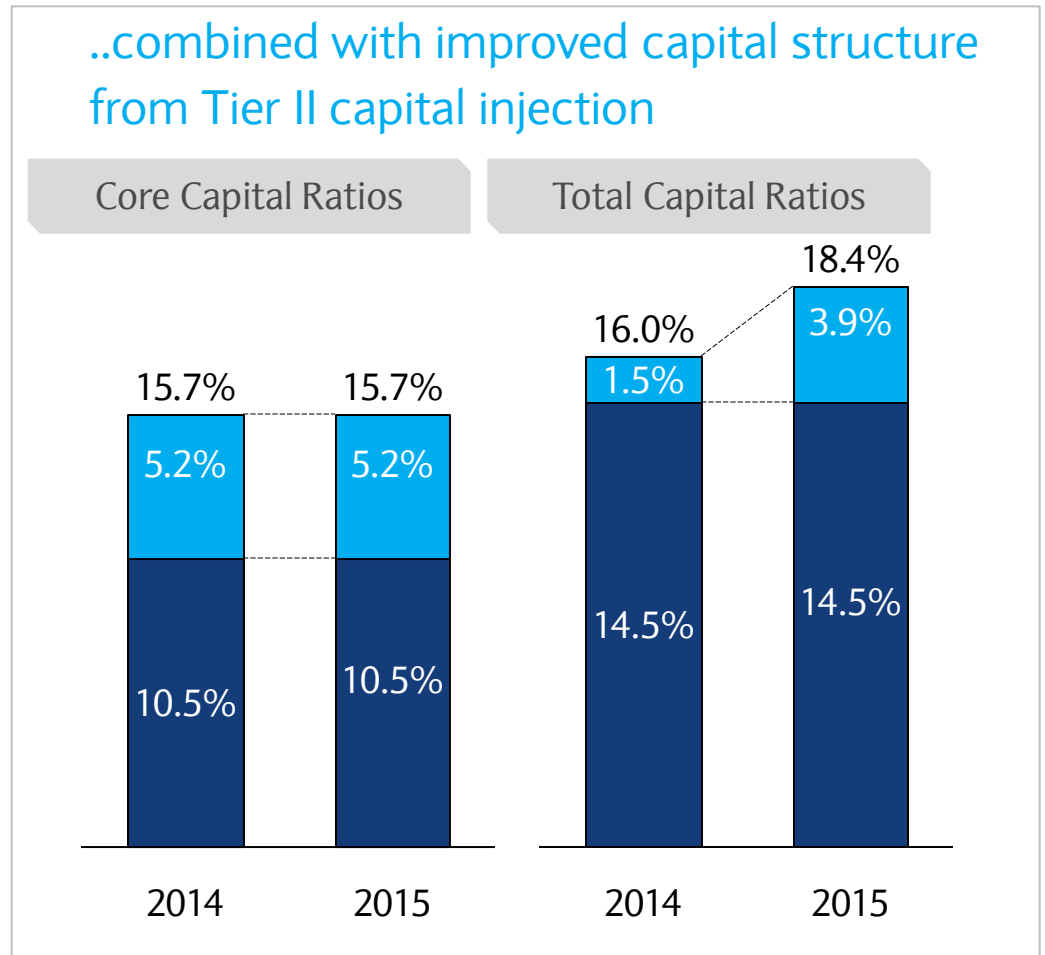
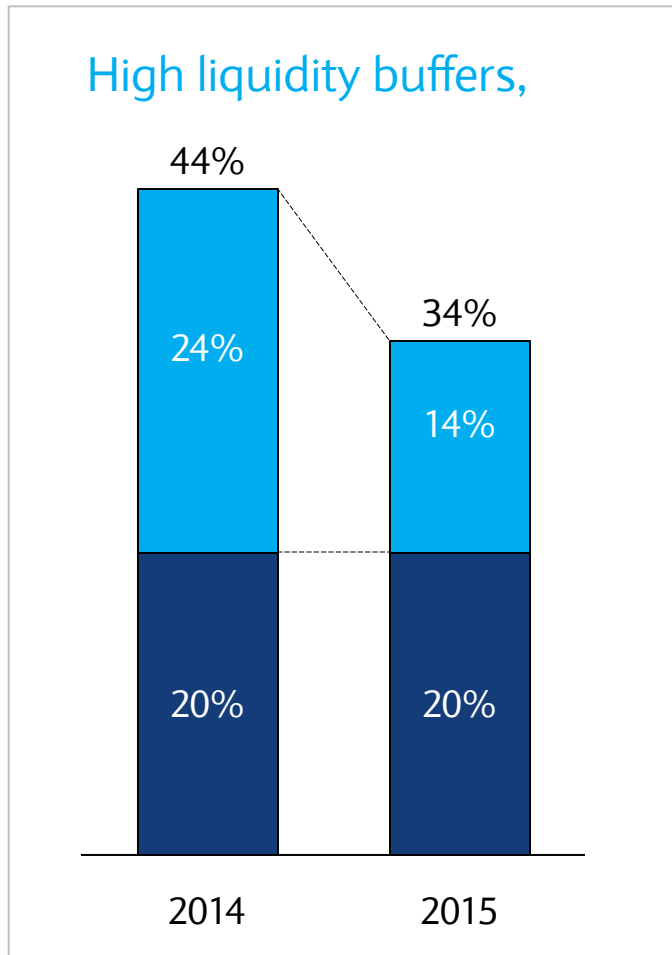


Growth in NFI at 4.2% (2014: -4.1%):

- Bancassurance – New revenue stream
- Fees and commissions from growth in lending
- However impacted by losses in the trading book-from a turbulent macro economic environment



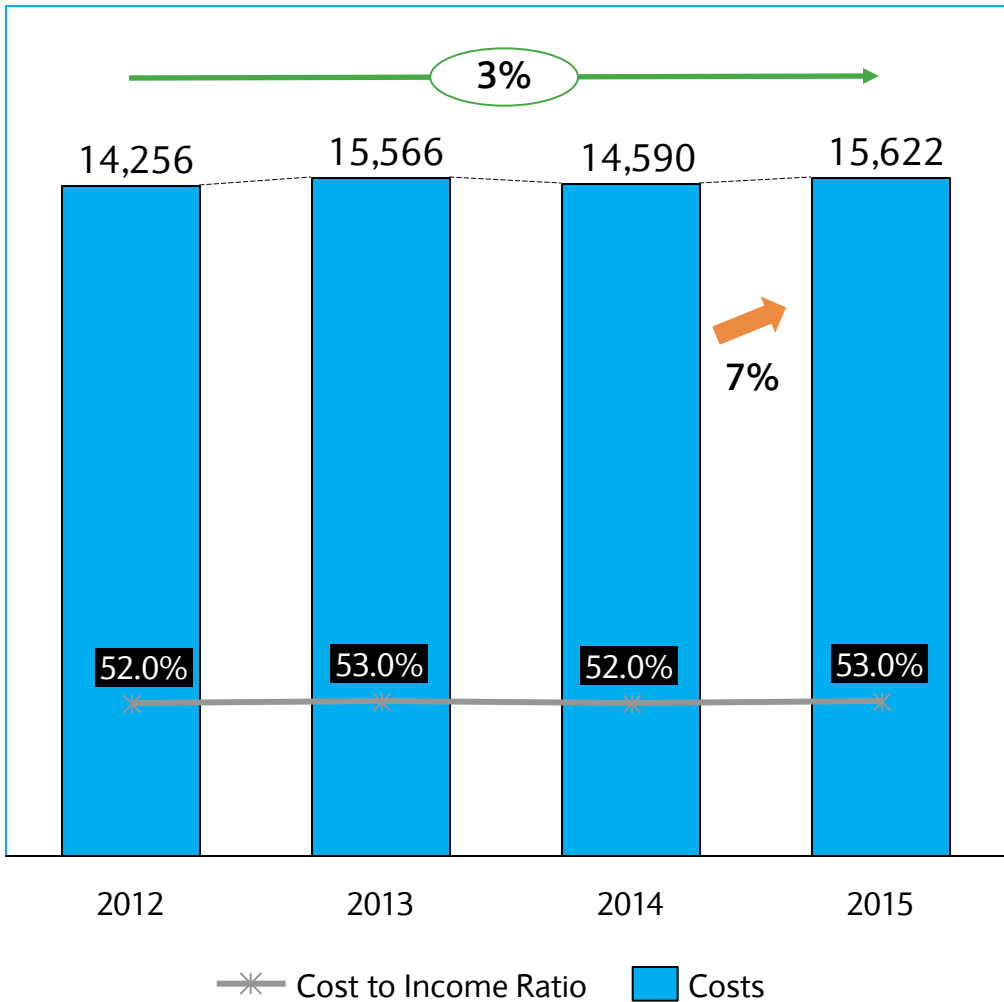
# Strong capital while utilising liquidity for lending growth



Buffer

Regulatory Minimum

# We have continued to invest for future growth whilst driving efficiency



Efficiency from :

- Investments in **technology**
  - E-statement,
  - Paperless Banking
- **Customer centric** channels
  - Intelligent ATMs,
  - Internet banking,
  - Mobile banking

# Volatility impacted overall performance

Kes million	2014	2015	% Change
Interest Received	22,941	25,286	10%
Interest Paid	(3,337)	(4,875)	46%
Net Interest Income	19,604	20,411	4%
Non Interest Income	8,684	9,051	4%
Total Income	28,288	29,462	4%
Costs	(14,590)	(15,622)	7%
Impairment	(1,405)	(1,766)	26%
<b>Profit Before Tax</b>	<b>12,293</b>	<b>12,074</b>	<b>(2%)</b>
Taxation	(3,906)	(3,673)	(6%)
<b>Profit After Tax</b>	<b>8,387</b>	<b>8,401</b>	<b>0%</b>

# Dividends per share maintained at Kes 1.0 per share

Dividends	2014	2015
Interim Dividend per share (Kes)	-	0.2
Final Dividend per share (Kes)	1.0	0.8
Total Dividend per share (Kes)	1.0	1.0
Total Dividends (Kes million)	5,432	5,432
Earnings Per Share (Kes)	1.5	1.6



# Outlook

# As we look forward, we are expanding our horizon

## Do your Barclays banking at Posta

To make banking more convenient for you, you can now carry out the below banking transactions at a Posta.

- Cash deposits to a Barclays account
- Bill payments
- Cash withdrawals
- CashSend withdrawals
- Balance enquiry
- Mini statements

020 390 0000, 0722 130 120 or 0732 130 120.

**Bank Anywhere. Prosper.**

- Launched Agency Banking
- SME, Women and Youth focus
- Deliver Innovation agenda
- Launch Stock Brokerage
- Drive simplification agenda
- Continued focus on service excellence



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# Our goal to be the 'Go-to' bank is unchanged



- Our future is very bright and our strategy remains unchanged
- Our focus still remains; SME, Innovation, Youth and Gender
- We will continue to enhance customer propositions
- We will continue to grow our existing business



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# Update on recent Barclays PLC announcement on Africa

<p><b>Who is BAGL</b></p>	<p>BAGL – Barclays Africa Group Limited</p> <ul style="list-style-type: none"> <li>• Created in 2013 (Initially ABSA)</li> <li>• Prior to 2013 Barclays PLC owned 56.4% of ABSA and 68.5% of BBK</li> <li>• In 2013, Barclays PLC ownership in BAGL increased from 56.4% to 62.3%</li> <li>• From 2013, 68.5% of BBK Owned by BAGL</li> </ul>
<p><b>PLC reason for intention to reduce shareholding</b></p>	<ul style="list-style-type: none"> <li>• Increased regulatory capital requirements in UK. to hold more capital for the Africa business</li> </ul>
<p><b>Strength of BAGL</b></p>	<ul style="list-style-type: none"> <li>• Presence in 12 African countries</li> <li>• Total assets of Kes 7 Trillion (Kenya GDP is Kes 6 Trillion)</li> <li>• Over 1,200 branches</li> <li>• Over 10,000 ATMs</li> <li>• 42,000 Staff</li> <li>• 12 Million Customers</li> </ul>
<p><b>Implications for BBK</b></p>	<ul style="list-style-type: none"> <li>• Business as usual – we continue to execute on our strategy</li> <li>• BAGL has reiterated the importance of Kenya in its Africa Agenda</li> <li>• The next 2-3 years the new shareholding of BAGL to be communicated</li> </ul>

Q & A

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# Disclaimer

## Forward-looking statements

Certain statements in this document are forward looking that relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of Barclays Bank of Kenya. Words such as “anticipates”, “estimates”, “expects”, “projects”, “believes”, “intends”, “plans”, “may”, “will” and “should” and similar expressions are typically indicative of a forward-looking statement. These statements are not guarantees of Barclays Bank of Kenya future operating, financial or other results and involve certain risks, uncertainties and assumptions.

Accordingly, actual results and outcomes may differ materially from these

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