

Building the 'Go-To' bank





Barclays is going through a major transition. Critical progress was made in 2013 in putting in place the foundations for sustainable long-term success. The journey is incomplete, with major cultural change well in train but still requiring time to be fully entrenched and, externally, a continuing unsettled economic and financial market environment, and a demanding and changing regulatory agenda.

We must focus not only on what we do but on how we do it, and we are committed to embedding a values-driven culture in Barclays. To deliver sustainable performance, we have to balance the needs of all our stakeholders across the short and long-term. You can read elsewhere in this Report how our values: Respect, Integrity, Service, Excellence and Stewardship, are being driven down into the organisation. In 2013 we introduced a balanced scorecard for Barclays which seeks to ensure that we are meeting the needs of all of our stakeholders by measuring performance against metrics in five key areas:

- Customer & Client
- Colleague
- Citizenship
- Conduct
- Company

We have set ourselves stretching but achievable goals in all of these areas which are designed to drive, and which are starting to deliver, mutually reinforcing outcomes. You can read more about the Balanced Scorecard in the following pages.

Notes

The term 'Barclays PLC Group' or the 'Group' means Barclays PLC together with its subsidiaries and the term 'Barclays Bank PLC Group' means Barclays Bank PLC together with its subsidiaries. 'Barclays' and 'Group' are terms which are used to refer to either of the preceding groups when the subject matter is identical. The term 'Company', 'Parent Company' or 'Parent' refers to Barclays PLC and the term 'Bank' refers to Barclays Bank PLC. In this report, the abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling respectively; the abbreviations '\$m' and '\$bn' represent millions and thousands of millions of US Dollars respectively; '€m' and '€bn' represent millions and thousands of millions of euros respectively and 'C\$m' and 'C\$bn' represent millions and thousands of millions of Canadian dollars respectively.

Unless otherwise stated, the income statement analyses compare the 12 months to 31 December 2013 to the corresponding 12 months of 2012 and balance sheet comparisons, relate to the corresponding position at 31 December 2012. Unless otherwise stated, all disclosed figures relate to continuing operations. Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the glossary online at www.barclays.com/annualreport. A hard copy can be provided on request by contacting Barclays Investor Relations, Barclays PLC, 1 Churchill Place, London E14 5HP.

Adjusted profit before tax and adjusted performance measures have been presented to provide a more consistent basis for comparing business performance between periods. Adjusted profit before tax is defined in the online glossary at [barclays.com/annualreport](http://www.barclays.com/annualreport). Items excluded from the adjusted measures are: the impact of own credit; gains on debt buy-backs; impairment and disposal of the investment in BlackRock, Inc.; the provision for Payment Protection Insurance redress payments and claims management costs; the provision for interest rate hedging products redress and claims management costs; goodwill impairments; and gains and losses on acquisitions and disposals.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future

There has been understandable concern and criticism of the increase in the incentive pool in a year in which the bank's profits were down. The immediate challenge for the Board Remuneration Committee and Board for 2013 was to find the right practical balance between the need to give shareholders a greater share of the income we generate, to bear down on costs, and to meet society's expectations without eroding the long-term competitiveness of the Investment Bank, and thus damaging the interests of our shareholders. Whilst the conclusion reached was an extremely difficult one, we believe that it was the right decision for shareholders in the long term. Looking forward, we remain committed to achieving a compensation to adjusted net operating income ratio in the mid 30s over the medium term. There is more detail on this in the Summary remuneration report in the following pages.

There have been a number of changes to both the composition of the Board and to our governance structures during 2013. In particular, we created a new Board Conduct, Reputation and Operational Risk Committee to provide clear and dedicated focus on each of these major areas in complement to the role of the Board Financial Risk Committee. You can read more on these changes in my governance overview.

Elements in the global economic environment and prospects now seem more favourable than at the beginning of 2013, but financial markets face uncertainty created by structurally lower economic growth over a prolonged period and an uncertain political outlook in many of the areas in which we operate. And, while substantial progress has been made in strengthening the balance sheet, further regulation in prospect, including in particular retail ring-fencing in the UK and rules to be put in place under the Dodd Frank legislation in the United States, and the emerging business environment, will inevitably call for rigorous review and adaptation of the mix and structure of the businesses of the Bank.

This year the Annual Report incorporates the Strategic Report in line with reporting requirements. The changes are intended to facilitate more effective communication with all our stakeholders, improve corporate accountability and to provide more concise and relevant narrative reports. These objectives are entirely in line with our aim to become more clear and transparent on our journey to be the 'Go-To' bank. We will continue to engage with stakeholders to identify ways in which we can further advance this agenda.

2014 will be a critical year for Barclays as we work toward meeting the needs and expectations of all our stakeholders in terms of both the business we do and how we do it. Your Board and the executive team led by Antony Jenkins are encouraged by what was accomplished in 2013 and are focused and determined to complete the Transform Programme, and we are confident of doing so.

Sir David Walker
Chairman

financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the Transform Programme, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, United States, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the implementation of the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC including our Annual Report on Form 20-F for the fiscal year ended 31 December 2012, and in the Form 6-K (Film No. 131097818) dated 16 September 2013, both of which are available on the SEC's website at <http://www.sec.gov>.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC.

‘We’ve made some changes to this year’s Strategic Report to give readers a clearer picture of how we operate, what our plans are and how they link to Barclays’ goal and purpose.’

In line with new regulatory reporting requirements and our commitment to transparent disclosures, this year’s Strategic Report gives greater information on the business model and strategy of the Group and its divisions.



Corporate website

We maintain a corporate website at barclays.com containing a wide range of information of interest to institutional and private investors including:

- Latest news and press releases
- Annual reports and investor presentations



See further content for the 2013 Annual Report online at barclays.com/annualreport

Status of the Strategic Report 2013

The Strategic Report 2013 is a part of the 2013 Annual Report and Accounts and does not contain sufficient information to allow as full an understanding of the results of the Group and the state of affairs of the Company or of the Group as would be provided by the full 2013 Annual Report and Accounts. Details on how to obtain a copy of the full 2013 Annual Report and Accounts can be found in the Shareholder enquiries section.

Report of the Auditor

The Auditor’s report on the full accounts for the year ended 31 December 2013 was unqualified, and their statement under section 496 (whether the Strategic Report and the Directors’ Report are consistent with the accounts) of the Companies Act 2006 was unqualified.

The Strategic Report

An overview of our 2013 performance, a focus on our new strategic direction, and a review of the businesses underpinning our strategy

| | |
|---|----|
| Group overview | 02 |
| Chief Executive’s strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director’s review | 12 |
| Strategic risk overview | 14 |
| UK Retail and Business Banking (UK RBB) | 18 |
| Europe Retail and Business Banking (Europe RBB) | 22 |
| Africa | 26 |
| Barclaycard | 30 |
| Investment Bank | 34 |
| Corporate Banking | 38 |
| Wealth and Investment Management | 42 |
| Chairman’s governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |

Shareholder information

Resources for shareholders including the Company articles of association, classes of shares and contact details for shareholder enquiries

| | |
|-------------------------|----|
| Shareholder information | 54 |
| Shareholder enquiries | 56 |

Group overview

Barclays is a major global financial services provider engaged in personal banking, credit cards, corporate and investment banking, and wealth and investment management with an extensive international presence in Europe, the Americas, Africa and Asia.

With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs approximately 140,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Adjusted profit before tax

£5,167m

Down 32% due to costs to achieve Transform and a 4% reduction in income. Statutory profit before tax was up from £797m to £2,868m

CRD IV fully loaded Common Equity Tier 1 Ratio

9.3%

Up from 8.4% in September 2013 principally due to the issuance of additional shares through the rights issue

Return on Equity

4.5%

Adjusted return on average shareholders' equity decreased from 9.0% principally reflecting the decrease in profit before tax, a £440m write down of deferred tax assets and the £5.8bn equity raised from the rights issue

Dividends per share

6.5p

Full year dividend of 6.5p maintained at same level as 2012

Gross new lending to UK

£88bn

We provided £88bn of Funding for Lending eligible gross new lending to UK households and businesses in 2013

Diverse employees

139,600

Of our 139,600 global workforce, 71,300 were female and 68,300 male

Key performance indicators (KPIs)

The KPIs presented below reflect the indicators management used during 2013 whilst transitioning to use of the Balance Scorecard (see page 10).

Following the announcement of the Transform programme, a number of additional metrics have been monitored against the financial commitments made. These can be seen on page 13.

| | Measures | Statutory | | | Adjusted | | |
|----------------------|---|-----------|--------|--------|----------|--------|--------|
| | | 2013 | 2012 | 2011 | 2013 | 2012 | 2011 |
| Capital | Core Tier 1 ratio | 13.2% | 10.8% | 11.0% | | | |
| | Estimated PRA leverage ratio ^a | 3.0% | | | | | |
| Returns | Return on average shareholders' equity (RoE) | 1.0% | (1.2)% | 5.9% | 4.5% | 9.0% | 6.7% |
| | Return on average tangible shareholders' equity (RoTE) | 1.2% | (1.4)% | 7.1% | 5.3% | 10.6% | 8.1% |
| | Profit before tax | 2,868 | 797 | 5,770 | 5,167 | 7,599 | 5,482 |
| | Cost: income ratio | 79% | 84% | 65% | 71% | 63% | 68% |
| | Loan loss rate | 64bps | 70bps | 77bps | | | |
| | Dividend per share | 6.5p | 6.5p | 6.0p | | | |
| Income growth | Total income | 27,935 | 25,009 | 32,292 | 28,155 | 29,361 | 28,513 |
| | Income by geography: UK | 11,461 | 7,461 | 15,819 | 11,681 | 12,040 | 11,981 |
| | Europe | 4,019 | 4,457 | 4,207 | 4,019 | 4,457 | 4,207 |
| | Americas | 7,034 | 7,554 | 6,025 | 7,034 | 7,327 | 6,083 |
| | Africa and Middle East | 4,137 | 4,472 | 4,967 | 4,137 | 4,472 | 4,967 |
| | Asia | 1,284 | 1,065 | 1,274 | 1,284 | 1,065 | 1,274 |
| Citizenship | Gross new lending to UK households and businesses ^b | £88bn | £44bn | £45bn | | | |
| | Global investment in our communities | £72m | £64.5m | £63.5m | | | |
| | Colleagues involved in volunteering, regular giving and fundraising initiatives | 71,000 | 68,000 | 70,000 | | | |
| | Group Employee Opinion Survey (EOS) – Proud to be Barclays ^c | | 78% | 81% | | | |
| | Percentage of senior managers who are female ^d | 23% | 22% | 21% | | | |

Notes

a In 2013, the adjusted gross leverage metric was superseded by the estimated PRA leverage ratio as the primary leverage measure used by management.

Refer to barclays.com/annualreport for further details.

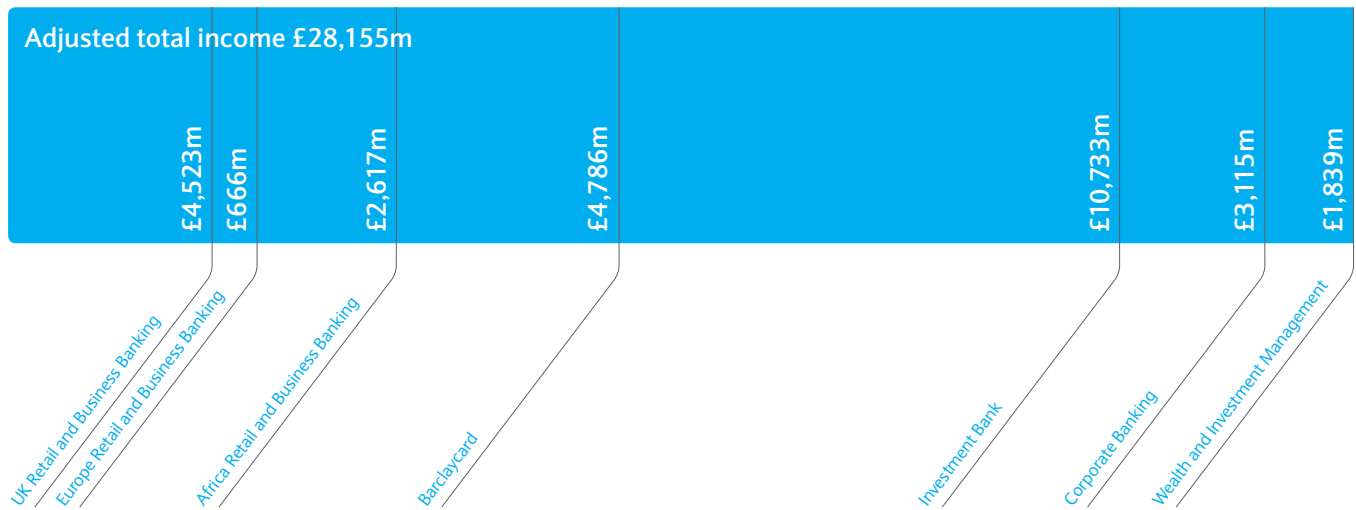
b In 2013, we tracked Funding for Lending Scheme eligible gross new lending, a new measure introduced in June 2012.

c In 2013, the EOS was not undertaken, having been superseded by the Sustained engagement of colleagues score in the Balanced Scorecard.

d Based upon percentage of females in the Director corporate grade.

| | |
|------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The Group overview provides a view on how Barclays is segmented and reported, the services the businesses provide, and the performance of the Group as a whole.



Barclays banking and financial service businesses work together to provide customers and clients the best offerings across our chosen markets.

UK Retail and Business Banking (UK RBB)

£4,523m

A leading UK high street bank providing retail banking services and general insurance to individuals and business banking services to small and medium enterprises (SMEs)

Europe Retail and Business Banking (Europe RBB)

£666m

A local presence for Barclays customers in Spain, Italy, Portugal and France, providing retail banking services to mass affluent individuals and business banking services to SMEs

Africa Retail and Business Banking (Africa RBB)

£2,617m

A leading pan-African retail and business bank serving customers and clients in 12 countries with a range of banking and bancassurance solutions

Barclaycard

£4,786m

A leading international payments business, offering payments and lending to individuals, and a range of business services including card issuing and payment acceptance services

Investment Bank

£10,733m

A global investment bank serving large corporate clients, financial institutions, governments and institutional investors with financial advisory, capital-raising, financing and risk management services

Corporate Banking

£3,115m

A leading provider of cash management, lending and trade financing to corporate clients in the UK and South Africa, and global businesses, financial institutions and international organisations

Wealth and Investment Management

£1,839m

A leading global wealth manager and advisor, providing private and intermediary clients with international and private banking, investment management, fiduciary services and brokerage



More information on performance can be found online at barclays.com/annualreport



‘We have made good progress in 2013 and we start 2014 in a better position than for several years. While recognising there is much more to do, we have every reason to feel positive about our prospects and confident that we will become the ‘Go-To’ bank for all our stakeholders.’

2013 has been a year of significant change for Barclays. A year ago we set out the outcome of our strategic review and our Transform plan to make Barclays the ‘Go-To’ bank for all our stakeholders. We continue to take steps to de-risk the business, strengthen the balance sheet, increase the efficiency of our operations and are making good progress against our plan.

Our 2013 results clearly demonstrate the benefits of the diversity we enjoy in the Group, as well as the strength of our core franchises. While impacted by the restructuring and de-risking activity, underlying business performance has been resilient, with adjusted income of £28.2bn and adjusted profit before tax of £5.2bn. Our core franchises remain strong, with UK Retail and Business Banking, Barclaycard, UK Corporate Banking, and within the Investment Bank our Equities and Investment Banking businesses all delivering good performances in 2013. Important progress has also been made in repositioning our African, European and Wealth businesses, although further work is required to get returns to acceptable levels. Our Fixed Income, Currency and Commodities business in the Investment Bank saw revenues fall, in line with our European peers, as market conditions remained subdued.

We are making good headway across the financial commitments we set out as part of our Transform plan as well as on de-leveraging to meet the PRA's revised target. I am pleased by our progress on RWAs and leverage. We have been able to move more quickly than anticipated in managing down CRD IV RWAs, bringing us a little below our Transform target well ahead of the 2015 timeline. Through rigorous analysis and focus, we have also virtually achieved the PRA leverage target six months in advance of the June 2014 deadline.

We have invested considerably in transforming our businesses. In the months ahead we expect to see the benefits of this coming through. We narrowly missed our cost guidance for 2013, largely due to a £331m increase at year-end in certain litigation provisions, but the true operating performance of Barclays was on track. Costs are a key area of focus for us and we remain committed to our 2015 Transform cost target of £16.8bn. Compensation for key talent is one area that we were prepared to invest in strategically. Our aim is to deliver a greater share of the income we generate to shareholders while remaining competitive on pay. Although profits for 2013 were down, the 38% reduction in incentives in the previous two years had begun to cause demonstrable damage to our business through increased attrition, with a near doubling of resignations of senior staff in the US for example. We concluded that a 2013 incentive pool of £2,378m was appropriate. Whilst this is up 10% on the final 2012 incentive pool, before adjustment for risk and conduct events it is down 18% on 2012 and remains 32% below the pool level in 2010 when we started to reposition Barclays' remuneration. This was a difficult decision, but the right one for the long term interest of our shareholders.

We have also made progress against the two non-financial commitments we made last February. The first of these, culture change, and in particular the process of embedding our Purpose and Values throughout the organisation, is going well. Every colleague has completed a mandatory training programme, and we have integrated our Purpose and Values into the day to day management processes of the Bank. We have developed and published our new Code of Conduct which every colleague must abide by and attest to annually.

| | |
|---|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The role of the Group Chief Executive includes implementing the Group's strategy as agreed by the Board. Here Antony provides his view on the events of 2013, and a progress update on execution of the Transform plan.

The recent publication of our Balanced Scorecard for the Group addressed the second non-financial commitment we made, establishing the critical final component in our leadership framework. The Balanced Scorecard sets out a clear description of what we want Barclays to be, with eight clear targets out to 2018 against which our progress can be assessed by all of our stakeholders. The scorecard, alongside our Purpose and Values, is now embedded in how we measure and reward individual and business performance. This is a unique and powerful tool that aligns the organisation behind our Transform goals.

We begin 2014 in a better position than for several years. 2013 showed the tremendous value of the breadth and diversity of Barclays' earnings profile, and we have seen continued evidence of the strong fundamentals which are essential for longer term growth. We have started to put our legacy issues behind us, and have greater clarity on what the future holds, particularly in terms of regulation. With my leadership team in place and building on the progress we have made on our Transform programme in 2013, we will continue to adapt and optimise our business, reaping the substantive benefits of our work in 2014, 2015 and beyond.

While we have much more to do and we expect the operating environment to remain challenging, we have every reason to feel positive about our prospects and confident that we will become the 'Go-To' bank for all our stakeholders.

Antony Jenkins
Group Chief Executive

Our purpose

What is Barclays for?

Becoming the 'Go-To' bank will be realised with a renewed focus, fuelled by this common purpose. We exist for our clients and customers, for our shareholders, our colleagues, and other stakeholders – we exist for the purpose of helping people achieve their ambitions.

Helping people – in the right way – means how we do it becomes as important as what we do.

Our values

How will Barclays do that?

Respect means respecting and valuing those we work with – our colleagues and other stakeholders. It is about building trust and promoting collaboration.

Integrity demands we act fairly, ethically and honestly. This requires us to have the courage always to do the right thing, never tolerating the wrong thing, and to be accountable for our decisions.

Service means ensuring our clients and customers are always uppermost in our minds. We must strive to exceed their expectations so we automatically become their 'Go-To' bank.

Excellence calls on us to use all our energy, skills and resources to deliver great service for our customers and clients and outstanding sustainable results for shareholders.

Stewardship is about being determined to leave things better than we found them, so we constantly strive to improve the way we operate as an organisation and the impact we have on society.

‘We will not be able to generate sustainable returns over the long term unless we act at all times with good values.’

The landscape for banks has fundamentally changed and will continue to evolve in the coming years. We believe these changes are not cyclical but represent a structural shift. Our Transform programme, launched in 2013, will reshape Barclays to generate sustainable returns and to meet the needs of all of our stakeholders.

Market and operating environment

Barclays is a global financial services provider with our home markets in UK, US, and South Africa, and distribution and operations in a further 47 countries.

Banks are invariably exposed to the economies and markets in which they operate. This exposure ranges from mortgage lending (dependent on the ability of borrowers to repay and house price valuations) to corporate advisory (which may reflect business confidence in the economy). Prior to the financial crisis, global growth was supportive with banks well-positioned to benefit from their exposure to the upward trajectory of the global economy.

Global economic growth has faltered in recent years. This has prompted unprecedented monetary policies across central banks, for example quantitative easing and near zero interest rates. This policy response has, in turn, posed new challenges for banks such as compressed interest margins.

While global economic growth remained below the long-term trend in 2013, we saw improved consumer confidence and business sentiment in both the UK and US. Even with these grass root recoveries emerging in two of our home markets, we remain cognisant that global economic growth is expected to be subdued for a prolonged period.

Financial regulatory frameworks are evolving, as global regulators continue to respond to the issues that emerged during the financial crisis. It is clear that intensive and intrusive regulation is here to stay. Prudential reforms ranging from the UK Banking Reform Act to the US Dodd Frank Act are fundamentally changing the way that banks manage their capital, liquidity and risk.

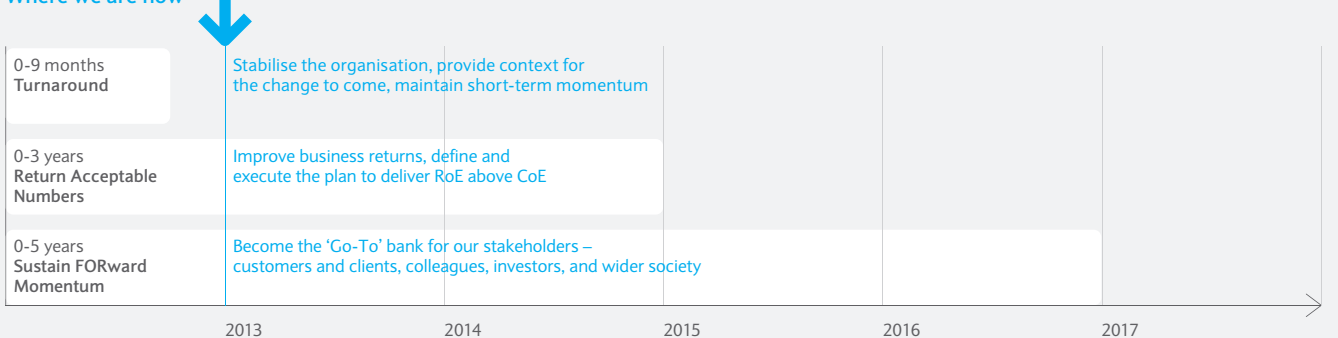
A further challenge to the banking industry, and indeed to Barclays, in recent years is one of poor conduct, damaging our reputation and causing a loss of trust amongst our customers, clients and stakeholders. We recognise the importance of rebuilding trust in Barclays as well as meeting, and bettering, the developing needs of our customers and clients.

→ Transform: delivering our strategy

The quality and commitment of the people at Barclays, combined with our underlying financial strength, means we start our transformation from a good position. The Barclays Strategic Review, commenced in Q4 2012, is a part of a long-term programme to transform the culture and performance of Barclays over the next three to five years.

The Transform programme is the way in which we will deliver our strategy. With the initial ‘Turnaround’ phase complete, we now look forward to ‘Return Acceptable Numbers’ and to ‘Sustain Forward Momentum’.

Where we are now



| | |
|---|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

It is important that we understand the conditions in which we operate in order to run the company effectively.

In this section we aim to highlight some of the major external factors affecting Barclays and how we aim to address these factors through our strategy.

Barclays' sustainable success will be assured by becoming the 'Go-To' bank for all of our stakeholders. If we understand their needs and priorities and ensure that these are at the heart of our decision-making, we will be able to build a bank which is lower-risk, more predictable and higher-performing.

The strategic response

In 2013, we launched the Transform programme to deliver the recommendations of the Strategic Review. Transform is the plan that will help Barclays become the 'Go-To' bank. It has three overall goals: Turnaround, Return Acceptable Numbers, Sustain FORward Momentum.

Turnaround the business

Turnaround was the immediate task of stabilising the business and maintaining momentum. In the second half of 2012, we delivered our new goal, purpose, and values to unite Barclays with a shared sense of direction – how we will do business.

We have put in place a new Executive team which is focused on delivery. The vast majority of our 139,600 colleagues have participated in workshops and training in Barclays' values. To cement our cultural change, a guide for behaviour – The Barclays Way – has been published internally and externally.

Return Acceptable Numbers

In 2013, we turned our attention towards the longer-term transformation of Barclays. For our Return Acceptable Numbers phase, we are de-risking and de-leveraging the business to make it more sustainable for the long term.

We committed to consolidate to core lines of business, to generate £1.7bn of cost savings by 2015, to lower our RWAs, funding and liquidity, and to reach a Core Tier 1 capital ratio of 10.5%. See page 13 for further details on the Transform financial commitments.

In 2013, we:

- Completed a £5.8bn rights issue in October
- Issued £2.1bn of CRDIV and PRA-qualifying Additional Tier 1 (AT1) capital
- Reduced CRDIV leverage exposure by £196bn in H2 2013 to £1,363bn, of which an estimated £55bn related to foreign exchange
- Drove improvements in our loan-to-deposit ratio (to 101% at December 2013)

Additionally, we reduced legacy assets in our Exit Quadrant portfolios by £40bn through Investment Bank legacy asset reductions of £17bn and derivative efficiencies of £23bn.

Sustain Forward Momentum

Our journey to 'Go-To' depends on continuing to adapt Barclays for the future and ensuring that we do not return to a short-term bias as we execute our plans. In order to Sustain FORward Momentum, we have also set in place longer-term markers in four critical areas: Culture, Rewards, Control and Cost.

The Board-commissioned Salz Review also prompted us to review our conduct. We are committed to being open and transparent and to regaining the trust of all of Barclays' stakeholders. We have integrated our necessary behavioural transformation into our Transform programme. Full details on our response to the Salz Review can be found online at barclays.com/annualreport

A strong culture is the first line of defence against repeating the mistakes of the past. To unite around Barclays' Values and Behaviours, we published 'The Barclays Way' to govern our way of working across our business globally. Colleagues are essential to embedding our Purpose and Values and, in 2013, all colleagues attended Values and Behaviours engagement sessions.

Reward and incentivisation is a critical enabler of behavioural change. As of 2014, colleague performance will be measured and rewarded not only on 'what' an employee delivers but also 'how' they achieve their objectives. As such, remuneration will align with Barclays' Purpose, Values and Behaviours as well as the Group Balanced Scorecard.

As of February 2013 control functions now have solid reporting lines into the Group CEO rather than business heads to avoid conflict of interest.

The Remuneration Committee will embed aggregate and individual incentive risk adjustments with additional Compliance and Risk input. Furthermore, our principal risk framework has been enhanced with the inclusion of conduct risk and reputation risk and a revised Enterprise-Wide Risk Committee will ensure adequate Board oversight.

To address the cost challenge, we have focused on creating the right level of financial analytics and on improving operational efficiencies. The key elements of our cost programme are right-sizing our businesses, industrialising handling of customer transactions and queries, and adopting innovative technology and automated processing.

Focus of efforts in 2014

In 2014, we will continue to build on the progress made in 2013. We will focus on delivering on our financial commitments and expect to see the benefits of our 2013 work on cost begin to crystallise.

We aim to respond positively to the evolving regulatory landscape. We have sought to constructively engage our regulators and improve our regulatory and public disclosures in order to improve transparency and consistency with society's expectations.

The new regulatory and emerging business environment will inevitably call for continued rigorous review and adaption of the mix and structure of the businesses of the Bank to ensure we generate sustainable returns.

However, care needs to be taken to ensure that regulation does not go too far. A healthy banking sector ensuring returns above the cost of equity is essential to economic growth. Vibrant economies need vibrant banks. It is therefore important to ensure that the rightly-increased focus by the regulator on conduct supervision does not inadvertently result in the withdrawal of services and the restriction of choice.

Another key focus over 2013 and the coming years is rebuilding the trust that customers, clients, and stakeholders have in our organisation. We have pledged to increase transparency and conduct our business in the right way, as set out in our values.

We need to better respond to the current needs and anticipate the future demands of our customers and clients. As they become increasingly technology savvy we have worked to embed technology across our product offering. This ranges from payment innovations such as PingIt to expanding our Investment Bank's electronic trading platform BARX.

‘Our customers and clients are at the centre of our goal and purpose.’

Barclays is a globally diversified, universal bank – that is, we offer an integrated set of products and services across retail banking, wealth management, commercial and investment banking serving individuals, corporations, institutions, and governments.

→ Delivering value

Ensuring we deliver our obligations to shareholders whilst meeting society’s needs in a responsive manner



| | |
|--------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

Our business model is the mechanism for delivering our social purpose. As such, in this section, we outline how the Group delivers services to our customers, how we make money on those services, and how our model and approach differs from our competitors.

Our business model

Barclays seeks to satisfy the needs of our customers and clients by offering a rounded value proposition – a full range of products and services – and thereby, we aim to achieve a smoother income stream and sustainable returns.

Barclays' competitive advantage is created by the scale and diversity of our businesses and the quality, character and relationships of our people.

Our Retail and Business Banking businesses operate through a regional model, focusing on delivering targeted solutions to individuals and small businesses. We operate retail banks in UK (UK RBB), Africa (Africa RBB), and Europe (Europe RBB).

Barclaycard Investment Bank, Corporate Banking and Wealth and Investment Management operate in global models, leveraging their offerings to provide comprehensive solutions across borders.

We are increasingly operating a shared service model for Central Functions. Improved 'functionalisation' has allowed us to take advantage of synergies through the sharing of ideas and collaboration from cross-functional working groups.

The sum of the parts

Our business model enables us to maintain relevance to our customers and clients, whatever stage of life they are in. For example, this means being ready to help business owners launch a business, fund its growth, expand internationally, and protect against currency risk. For individuals, our model can provide a safe place to store savings, help a first-time buyer make their first steps onto the property ladder, create an investment portfolio as wealth grows, or provide cross-border advice for the affluent.

We seek to add value to our clients through our end-to-end network, for example an individual retail customer in the UK is able to access current and savings account balances along with Barclaycard data all on the same mobile banking app. Pingit, our peer to peer payments service, is seamlessly integrated within our retail banking offering, a further example of this joined up approach to the way we do business.

Our international reach and scale means we have the responsibility, indeed obligation following our designation as a Global Systemically Important Financial Institution, to work together with our regulators to de-risk the industry and provide a more sustainable banking landscape over the long term. We are actively engaging with UK, EU, and US banking supervisors to develop a new model for the industry and to ensure our business is sustainable and flexible – ready for the future.



Meeting customer and client needs

Our value proposition

Our customers and clients are at the centre of our goal and purpose and we seek to become their 'Go-To' bank both through the excellence of our products and services and also through the way in which we do business. As we continue to transform Barclays, we believe we can become the bank of choice for all of our stakeholders.

| | Individuals | Small and Medium size businesses | Corporates | Financial Institutions and Banks | Sovereigns and Institutions |
|---|--|---|---|--|-----------------------------|
| A safe place to save, invest, and manage cash | Current accounts and overdrafts | | | | |
| | Savings, deposit and investment products | | | | |
| | Mobile and digital payments | | | | |
| | Stockbroking and trading services | | Access to global financial markets | | |
| | Cash management, payment systems, and international trade services | | | | |
| Funds for purchases and growth | Residential mortgages, consumer loans and credit cards | Commercial mortgages and business loans | | | |
| | | Asset and lease finance, trade and supplier finance and working capital solutions | | | |
| | | | | Global capital markets | |
| | | | | Large corporate and inter-bank lending | |
| Management of business and financial risks | Foreign exchange rate hedging | | | | |
| | Fixed rate loans | | | | |
| | | | | Inflation and interest rate hedging | |
| Financial and business support | Wealth Advisory and Private Banking services | Relationship managers and support | | | |
| | | Business seminars and start-up accelerator space | Global investment research and advice on mergers & acquisitions | | |
| | | | | | |

‘The Balanced Scorecard is the final crucial piece of our plan – alongside our Purpose and Values – to embed the right culture in our business and become the ‘Go-To’ bank’

The Balanced Scorecard sets out eight specific commitments across our 5Cs (Customer & Client, Colleague, Citizenship, Conduct and Company) and defines what need to achieve over the next five years to be well on the way to becoming the ‘Go-To’ bank.

We are committed to monitoring and reporting on our progress annually so that stakeholders can hold us to account. The Balanced Scorecard is supported by strategic initiatives that will drive progress across the 5Cs.

The Balanced Scorecard gives clear strategic context for our colleagues around what becoming the ‘Go-To’ bank will look like and lays out Barclays’ priorities. The Barclays Balanced Scorecard is cascaded into business unit and function scorecards. Together, these provide line of sight to employees to our organisational goal. They also provide a framework and starting point for all employees when they set their individual performance objectives across the 5Cs.



For more detailed information on the Balanced Scorecard, please see barclays.com/balancedscorecard



Our Balanced Scorecard

Becoming the ‘Go-To’ bank for all our stakeholders

Balanced Scorecard: overview



Outcome Statements

We balance our stakeholders’ needs across the short and long term.

Our activities drive mutually reinforcing outcomes across stakeholders.

Outcome Statements



Customer & Client

- We are ‘Go-To’ for our customers and clients



Colleague

- Our colleagues are fully engaged
- We create a diverse and inclusive environment where colleagues can fulfill their potential



Citizenship

- We positively impact the communities in which we operate



Conduct

- Our products and services are designed and distributed to meet clients’ needs
- We act with integrity in everything we do



Company






- We create sustainable returns above the cost of equity
- We understand and effectively manage our risks, and continuously improve control


| | |
|------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The Balanced Scorecard defines what we need to achieve over the next five years to be well on the way to becoming the 'Go-To' bank. It clearly shows what success looks like across the 5Cs: Customer & Client, Colleague, Citizenship, Conduct, and Company.

Metrics and targets

We have agreed eight key measures against which we and our stakeholders can hold us to account. We are committed to monitoring and reporting on our progress annually.






| | Metric | Actual 2013 | Target 2018 |
|--|--|-------------|------------------|
|  Customer & Client | RBB, Barclaycard and W&IM: Weighted average ranking of Relationship Net Promoter Score ^a vs. peer sets | 4th | 1st |
| | CIB Client Franchise Rank: Weighted average ranking of wallet share or customer satisfaction with priority clients | 4th | Top 3 |
|  Colleague | Sustained engagement of colleagues score | 74% | 87-91% |
| | % women in senior leadership ^b | 21% | 26% |
|  Citizenship | Citizenship Plan – initiatives on track or ahead | 10/11 | Plan Targets |
|  Conduct | Conduct Reputation (YouGov survey) | 5.2/10 | 6.5/10 |
|  Company | Return on Equity (Adjusted) | 4.5% | > Cost of equity |
| | Fully Loaded CRD IV CET1 ratio | 9.3% | >10.5% |

 For further information on Balanced Scorecard Methodology and Data Sources please visit barclays.com/balanced-scorecard and see the 'Metrics and targets' page

A detailed view of performance against Citizenship Plan targets is available in the Citizenship Report 2013 at barclays.com/citizenshipreport

Delivering our strategic targets: Example Strategic initiatives

Here are some examples of strategic initiatives that will drive progress across the 5Cs and support our goal to become the 'Go-To' bank.

| | |
|--|--|
|  Customer & Client | <ul style="list-style-type: none"> ■ We are using technology to improve our customers' and clients' experience and to be responsive to their changing needs, such as through Barclays Mobile Banking, BARX, PayTag and Barclays.Net ■ We are making our most important customer and client interactions as simple and instant as possible – putting power in their hands to transact when, where and how they want to ■ We are simplifying our products and services and improving what we offer to match customer needs with the right service model |
|  Colleague | <ul style="list-style-type: none"> ■ We have launched our Purpose and Values, and we are embedding them into all our HR processes including recruitment, promotion and performance management ■ We are developing and training leaders through the Barclays Leadership Academy and Barclays Global Curriculum ■ We are driving a consistent global diversity and inclusion plan resulting in a more visibly diverse talent pipeline |
|  Citizenship | <ul style="list-style-type: none"> ■ We are ensuring the way we do business reflects broader societal and environmental considerations ■ We are contributing to growth through financing, supporting businesses and ensuring our products and services support sustainable progress ■ We are supporting the communities where we operate by helping five million young people to develop enterprise, employability and financial skills |
|  Conduct | <ul style="list-style-type: none"> ■ We are following a rigorous and transparent framework on conduct risk reporting and management ■ We are using material conduct risk assessments to effectively identify, assess and manage conduct risk ■ We are exercising sound judgements to avoid detriment to customers, clients and counterparties or to market integrity |
|  Company | <ul style="list-style-type: none"> ■ We are delivering the initiatives across the strategic quadrants: Invest and grow, Reposition, Transition, and Exit ■ We are managing costs (rightsizing, industrializing, innovating) and delivering our leverage and capital commitments ■ We are improving our controls through the roll-out of "The Barclays Guide", which covers how we organise, manage and govern ourselves and includes a new risk management framework |

Notes

a Net Promoter, Net Promoter Score, and NPS are trademarks of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld.

b Senior leadership represents the Managing Director and Director corporate grades combined, a population of over 8,000 employees. Under the Companies Act 2006 we are also required to report on the gender breakdown of our 'senior managers'. For this purpose, we have 988 senior managers (179 female and 809 male) who include Officers of the Group, certain direct reports of the Chief Executive, heads of major business units, senior Managing Directors, and directors on the boards of subsidiary undertakings of the Company.



'We have made quick progress on leverage, but focusing on balance sheet optimisation for sustainable returns is now the priority going forward.'

Reflecting on the 2013 financial results for Barclays, I believe progress has been made and momentum is building around the Transform Programme. This was the first year of the Programme, which necessitated a substantial investment in future cost reduction and repositioning of our balance sheet and capital base.

Financial review

Overview

Within the results, there are two areas that I felt were particularly noteworthy. First, the breadth and diversity of income in the Group, underpinned by our traditional consumer and commercial banking franchises. Similarly, within the Investment Bank, growth in Equities and Investment Banking income provided an offset to the market-led weakness in certain FICC businesses. Second, demonstration of strong financial fundamentals across funding and liquidity, capital, credit risk management and margins should stand the bank in good stead for generating sustainable returns going forward.

Income statement review

2013 profits were impacted by £1.2bn of costs to achieve Transform which drove a 32% reduction in adjusted profit before tax to £5.2bn, while statutory profit before tax improved from £0.8bn to £2.9bn due to a significant reduction in the own credit charge.

Adjusted income was down 4% to £28.2bn reflecting reductions in Investment Bank FICC, partially offset by impressive performances in Investment Bank Equities and Investment Banking and growth in UK RBB, Barclaycard and Corporate.

Impairment charges improved 8% to £3.1bn reflecting lower impairments in the wholesale businesses, with increases in UK RBB and Barclaycard due to business growth and non-recurrence of prior year releases.

Adjusted operating expenses increased £1.3bn to £19.9bn reflecting £1.2bn of costs to achieve Transform, £220m provisions for litigation and regulatory penalties in Q413 in the Investment Bank, mainly relating to the US residential mortgage-related business and UK bank levy of £504m (2012: £345m). The Group's cost target for 2015 remains at £16.8bn excluding costs to achieve Transform.

I am pleased by the strong results in UK RBB, Barclaycard and Corporate Banking, whilst noting 2013 was a tough year for Investment Bank income. Moreover, following restructuring and de-risking activity we completed during the year, Europe RBB, Africa RBB and Wealth and Investment Management now have clear paths to shareholder value creation in the medium term. Importantly, the resilience of the underlying customer and client franchises across the Group allowed us to maintain dividends of 6.5p per share for full year 2013 despite a 25% increase in the total number of shares following the rights issue.

Balance sheet review

In October, I began conducting a detailed balance sheet review, specifically focused on meeting leverage ratio requirements as a priority. We have made strong and quick progress on this. Our Prudential Regulation Authority (PRA) leverage exposure reduced by nearly £200bn from June 2013 which, combined with the £5.8bn rights issue and issuance of £2.1bn of AT1 securities, strengthened our PRA leverage ratio to just under 3%. Our focus on Risk Weighted Asset (RWA) management continued throughout the year, resulting in a 7%, or over £30bn, reduction in CRD IV RWAs. Looking ahead, the balance sheet review will continue but with increased focus on optimising the balance sheet, considering both risk weights and leverage, in order to generate improved returns.

Tushar Morzaria
Group Finance Director

| | |
|--|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The Group Finance Director is responsible for monitoring the Bank's financial performance and position and communicating this to both internal and external stakeholders. Below he discusses the Bank's performance during 2013 and its year end position as at 31 December 2013.

Revised Transform financial commitments

| | Original 2015 Targets | | Revised Targets | Dates |
|-----------------------|-----------------------|---|---------------------|---------------|
| Return on equity | > CoE | ➔ | >CoE in 2016 | 2016 |
| Operating Expenses | £16.8bn | ➔ | £16.8bn | 2015 |
| Cost: Income Ratio | mid-50s | ➔ | mid-50s | 2015 |
| CRD IV RWAs | £440bn | ➔ | £440bn | 2015 |
| FL CET1 Ratio | Transitional >10.5% | ➔ | Fully loaded >10.5% | 2015 |
| Dividend Payout Ratio | 30% | ➔ | 40-50% | 40% from 2014 |

What are the main financial issues in the year, and implications for the business?

What happened:

On 20 June 2013 the PRA announced the results of its review of capital adequacy of major UK banks and building societies. As part of its review, the PRA introduced a 3% Leverage Ratio target to be achieved by 30 June 2014. As at 30 June 2013, Barclays' PRA Leverage Ratio was 2.2%, representing a capital gap of £12.8bn.

Actions taken:

In order to achieve the PRA's 3% Leverage Ratio target by June 2014, we announced a series of actions including an underwritten rights issue, measures to reduce Barclays' CRD IV leverage exposure, and the continued execution of Barclays' capital plan with the issuance of CRD IV and PRA qualifying AT1 securities. In the second half of 2013, we increased our PRA Leverage Ratio from 2.2% to just shy of the 3.0% requirement through these actions.

A significant proportion of the capital gap was reduced through completion of a one for four rights issue which raised £5.8bn of capital for the Group. The rights issue completed on 4 October 2013 and, with a 94.63% acceptance rate of shareholder rights, we welcome the strong support shown by shareholders during what was a challenging period.

Through management actions we were also able to reduce the Group's CRD IV leverage exposure by nearly £200bn to £1,363bn. This was achieved through de-risking the business via actions such as improving legal netting agreements on derivatives and reducing low returning Exit Quadrant assets.

A highlight of 2013 was Barclays' issuance of £2.1bn equivalent of benchmark Euro and US Dollar AT1 securities. This represented the targeted issuance for the PRA leverage plan, and constitutes a key step in transitioning our capital base towards future regulatory capital requirements.

Outlook:

As a result of these actions, Barclays is now in a much stronger capital position and this has allowed us to increase the dividend payout ratio target from 30% to 40-50%, with a 40% payout ratio expected in 2014 to allow focus on capital accretion.

We remain committed to structurally reducing the cost base of the Group and we have reaffirmed our £16.8bn cost target with a mid-50s cost: income ratio for full year 2015. We will also continue to closely manage RWAs through rundown of the low returning Exit Quadrant and other balance sheet optimisation, and we target Group RWAs of £440bn by year-end 2015.

Regulation remains a key variable and, while we have gained clarity in certain areas, there remain a number of outstanding items which we will continue to anticipate as best we can. In particular, the Transform targets will allow us to achieve a fully loaded CRD IV Common Equity Tier (CET) 1 ratio of greater than 10.5% in 2015 with a fully loaded CRD IV leverage ratio of 3.5% by year-end 2015 with 3.5-4% targeted thereafter.

2014 will likely be another year of transition, with greater focus on balance sheet optimisation, particularly in the Investment Bank, combined with strict cost control in order to generate higher and more sustainable returns in the future. Ultimately, increasing the Group's RoE will help to reduce the market valuation discount and increase total shareholder returns.



‘Although economic and market conditions remained challenging in 2013, our credit and market risk portfolios have continued to perform well’

Maintaining our risk profile at an acceptable and appropriate level is essential to ensure our continued performance. Barclays constantly reviews its exposures in a number of areas including asset quality, industry and geography.

2013 performance

While the economic environment in Barclays' main areas of business was marked by generally weak growth in 2013, the loan impairment charges reduced by 7% with the loan loss rate finishing the year 6bp lower at 64bps. The loan impairment charge for wholesale decreased by 27% principally reflecting a reduction in Corporate Banking due to lower exposure to the Spanish property and construction sector and lower charges in the UK. Impairment increased by 4% in retail mainly in UK RBB and Barclaycard as the two businesses grew and expanded their business portfolios and from the non-recurrence of releases in 2012.

Market risk remains at moderate levels and the daily value at risk reduced in 2013 from a combination of risk reduction and improved market conditions, notably, tightening of credit spreads.

The operational risk profile remained broadly steady while conduct risk relating to legacy issues was evidenced by additional provisions for PPI and interest rate hedging product redress.

Our funding profile continued to strengthen during 2013 as reliance on wholesale funding reduced as the loan to deposit ratio decreased to 101%. The Group's capital position was enhanced through the £5.8bn rights issue and £2.1bn AT1 securities as action was taken to move toward regulatory capital and leverage targets.

Risk was realigned in 2013 through two main programmes: Transform Programme

Under Transform, the risk profiles of businesses were adjusted as they were aligned with their revised strategies to meet the goal of becoming the 'Go-To' bank. This included a lowering of risk in Corporate Banking as Exit Quadrant assets were reduced in 2013. In Europe RBB, the risk profile is in line with the change of focus to mortgage lending and small business customers through its Premier proposition. The risk profile in Barclaycard remained broadly stable with growth within appetite and in line with ongoing strategy of recruiting quality prime customers, combined with a controlled testing into other open market areas of business.

Revised Risk Management Structure

In 2013, the Group also introduced the Enterprise Risk Management Framework (ERMF), which sets out a framework and approach that is applicable to the whole bank, all colleagues and to all types of risk. To strengthen the governance relating to conduct and reputation matters Conduct risk and Reputation risk were re-categorised as Principal Risks in 2013 with Executive Committee sponsorship from the Principal Risk Owner, the Head of Compliance. The Board Enterprise Wide Risk Committee was also created in 2013. It recommends to the Board the Group's overall risk appetite as well as evaluating and reporting details of the Group's overall risk profile and risk monitoring.

| | |
|------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

In this section the Group Chief Risk Office gives a summary of key changes in Principal Risks during 2013.

Key influences on risk in 2013

In 2013, a number of risks were considered and dealt with in order to minimise impact on the Group's performance and ability to meet its goals and priorities. These included, but were not limited to:

- Uncertain economic environment, including GDP growth, inflation, property values and unemployment
- Political uncertainty in a number of countries which could have adversely impacted the Group's retail and institutional customers
- The risk of a Eurozone crisis whereby a sovereign may default and exit from the Eurozone. While this receded somewhat during 2013 it could have resulted in losses to the Group through, for example, redenomination risk
- Changes in both the level and volatility of prices, for example, interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates, which could impact earnings or capital
- Potential operational risk of service disruption to customers as a result of failed systems or human errors, or increasing threat from cyber-attacks and breaches of security, with adverse effects on the Group's reputation, operations and financial condition
- Increased levels of legal proceedings in jurisdictions where it operates, and changing legal and regulatory environments, which could lead to fines, public reprimands and damage to reputation
- Changing and uncertain regulatory environment

Risk and business strategy

The risk function plays a significant role in review and challenge of risks inherent within business plans and strategy by verifying that they fall within financial volatility risk appetite and incur a level of risk that is individually and in aggregate acceptable to the Board, or be modified accordingly. The Group-wide stress testing process is similarly linked to the medium term planning process and also supports strategic planning and capital adequacy. Barclays manages human rights risk via our environmental and social risk procedures and guidance and our reputational risk framework and continues to work collaboratively with others in our sector on integration of human rights issues into business decision making. Risk management responsibilities are laid out in the ERMF, which covers the categories of risk in which Barclays has its most significant actual or potential risk exposures, which are known as Principal Risks (see table on the following pages).

Robert Le Blanc
Chief Risk Officer

Future priorities

At a time of significant internal and external change and uncertainty in the business environment, it is important that we continue to keep our customers at the forefront of our activities while meeting new regulatory requirements and improving effectiveness in the risk management process. Our priorities for 2014 reflect these aims and include:

- Providing our customers with faster decisions and enhancing support for those experiencing difficulties
- Closely managing funding and liquidity risk including redenomination risk
- Meeting regulatory expectations in relation to the PRA Leverage Ratio during 2014
- Implementing and embedding the ERMF across Risk including further enhancement of reputation and conduct risk management
- Continuing to manage and control impairment across the firm
- Continuing to enhance and strengthen our operational risk management processes
- Further enhancing Recovery and Resolution Planning and responding to regulatory requirements for structural reform (e.g. UK Retail Ring Fence)



Example of a related strategic objective and associated risks

| Principal Risk | Objective | Example of a significant risk taken in pursuit of the objective |
|---|--|---|
| <p>Credit risk</p> <p>The suffering of financial loss should any of our customers not fulfil their contractual obligations to the Group.</p> | <p>We are committed to supporting all our customers, counterparties and clients in their day-to-day banking needs and to tailoring our products to meet their requirements.</p> | <p>The credit risk that the Group faces from providing services to customers mainly arises from the default of wholesale and retail loans and advances particularly in a deteriorating credit environment.</p> |
| <p>Market risk</p> <p>The reduction to earnings or capital due to volatility of trading book positions or an inability to hedge the banking book balance sheet.</p> | <p>To provide a range of execution and risk management services across all the major traded product classes.</p> | <p>Extreme market events have the potential to create large losses.</p> |
| <p>Funding risk</p> <p>Failure to maintain capital ratios and liquidity obligations could lead to an inability to support normal business activity and meet liquidity regulatory requirements.</p> | <p>To maintain high levels of quality capital to ensure we have the financial strength to continue supporting customers and clients, be it lending to creditworthy small businesses or arranging the financing of large cross-border projects.</p> | <p>If we cannot forecast our future capital needs accurately, for instance because of unforeseen regulatory actions or unexpected losses, a funding shortfall may occur.</p> |
| <p>Operational risk</p> <p>Losses or costs resulting from human factors, inadequate or failed internal processes and systems or external events.</p> | <p>To provide our personal customers with 24/7 access to the widest range of account facilities to enable them to pursue their financial goals, whenever they want and wherever.</p> | <p>Criminals are constantly searching for ways to perpetrate fraud against Barclays and its customers.</p> |
| <p>Conduct risk</p> <p>Detriment caused to our customers, clients, counterparties, or the Bank and its employees because of inappropriate judgement in the execution of our business activities.</p> | <p>We seek to provide customers with products that are tailored to their changing needs and the evolving financial landscape.</p> | <p>In pursuit of business, products may be sold to customers and clients that are unsuitable because of inadequate complexity, liquidity or other factors.</p> |
| <p>Reputation risk</p> <p>Damage to Barclays brand arising from any association, action or inaction which is perceived by stakeholders to be inappropriate or unethical.</p> | <p>We aim to become the 'Go-To' bank for customers and all stakeholders.</p> | <p>The negative events that have beset Barclays and the banking industry in past years could recur if we failed to identify and pro-actively mitigate the risk of failure to act in accordance with our purpose and values.</p> |



Examples of how Barclays mitigates the risk...

...and how this primarily contributes to our scorecard




The Group sets out the level of risk it is prepared to accept through the risk appetite agreed by the Board and closely monitors and manages the risk during the year through, for example, the application of mandate and scale limits. When a customer does experience financial difficulties the Group may assist by offering a forbearance programme which is structured to be appropriate to the nature and expected duration of the their distress. It aims to provide the customer with a sustainable programme to help return them to good financial health.

-  Customers & Clients
-  Citizenship
-  Company



We have built a business centred on client needs as opposed to the pursuit of profits from price changes and our well embedded stress testing framework helps ensure our portfolio is not overly exposed to extreme market events.

-  Customers & Clients
-  Company




Capital planning is a significant component of our stress testing framework. The adequacy of all categories of capital are tested under severe economic and market scenarios, including consideration of business losses, and the availability of funds in the market according to different scenarios. Mitigation plans are developed based on this analysis.

-  Customers & Clients
-  Citizenship
-  Company




Our Fraud Risk management team works to ensure we keep ahead of fraudsters by investing in technology, and ensuring we support clients where incidents may occur.

-  Customers & Clients
-  Citizenship

We have developed a suitability framework that clarifies the criteria that must be followed before a product is considered suitable for a customer or client. It ensures that management and their teams consider how customers' needs may change in the future under various scenarios.

-  Customers & Clients
-  Colleague
-  Conduct

As part of our plan to become the 'Go-To' bank, the Transform Programme places significant emphasis on values. All members of staff have received extensive training and senior management aim to embody our new values in everything they do. These values are being embedded in all of the bank's activities.

-  Customers & Clients
-  Citizenship
-  Conduct

‘We are determined to go out of our way to make our customer’s lives much easier, which is how we will continue to achieve sustainable long-term results.’



Ashok Vaswani
CEO, Retail and Business Banking

The UK Retail and Business Banking business model

Our social purpose

Basic banking services fulfil the need for transactions that people and business have: storing, receiving and paying monies. Modern life would seem very difficult without access to these fundamental activities.

As a leading UK retail bank, UK RBB successfully provides these basic banking services in a safe, reliable and regulated manner.

Our customers are those

We seek to support the day-to-day banking needs of UK customers. Our customers can be categorised as:

- Personal and Premier
- Small businesses

For them we provide

We focus on providing core banking through a network of branches, telephony and digital channels, enabling customers to be serviced in ways that best suit their lives:

- Personal and Business banking (including current accounts, savings and payments)
- Lending (secured and unsecured) – mortgages, loans and overdrafts

Uniquely providing value through

Our value propositions...

- Accessibility for all customers to simple, transparent and speedy products and services
- Faster or instant decision making and processing
- A focus on providing suitable services for customers’ key life moments
- Relationship propositions tailored for different segments
- Support of Government (access to) lending schemes
- The safe use of data to improve and tailor offers to customers

| | |
|------------------------------------|----|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

This section provides a summary of the business models, strategies and risks in each of the Barclays businesses, as well as a discussion on the 2013 financial performance.

Our overriding goal is to provide our customers with simple products and to invest heavily in the customer experience, through both technology and people. This should result in customers consolidating their relationships with us and provide us with balance sheet and income growth.

Market and operating environment

UK RBB is performing well and continues to support the UK economy.

There is an opportunity to embrace the technological innovation and changing competitive landscape to enable our existing customers to do more with us, while protecting our market share and particularly driving income growth in Business Banking and mortgages.

We are reshaping the way we interact with our customers in a way that will drive customer satisfaction and deepen customer engagement, whilst simultaneously reducing the costs that customers do not value and growing our franchise.

Business model risks

While executing our strategy with speed and without compromising quality, we need to be cognisant of the emerging regulatory changes and adapt accordingly. As we continue to focus on rebuilding trust and reputation through improving customer experience, we also need to ensure operational risks are appropriately addressed in the business.

Any deterioration in the economic environment in the UK could adversely impact customers ability to keep up repayments and consequently, we will continue to manage risk appropriately. The UK remains a competitive environment with specialised providers offering web-based services, however our continued investment in technology and processing will help significantly improve and differentiate our customer experience.

Balanced Scorecard



Customer and client

Our aim is to become the 'Go-To' bank for all of our customers. That means we want all of our customers to be advocates of Barclays. We have a lot of work to do.

We will achieve this by significantly improving and differentiating customers' experience of banking with Barclays – through routine transactions and at the vital moments in their life.

We will measure progress through our Net Promoter Score® – a widely used measure of customer advocacy.

Our external complaints reporting has also been enhanced in the UK with reporting beyond the FCA requirements and the launch of externally published 'Spotlight' reports that focus on the key areas of customer complaints and how we are tackling them.

Through regular and rigorous review of our customers' feedback we will identify where and how we will invest to make customer's interactions with us simpler, more intuitive and more personalised.

Contributing to strategy

UK RBB provides a wide range of banking products and services delivered with excellent customer experience. We no longer incentivise our people on products sales but on customer service: our journey to 'Go-To' is focused on making customers lives easier. We look to constantly improve our customer experiences, for example:

- Responding to demand: providing multichannel access which is increasingly digital
- Supporting our customers' journey to digital services through our Digital Eagles
- Speed in our processes – often instant provision and decision making
- Targeted investment in relationship management
- Investing in our people to enhance their ability to serve customers

Bring diverse benefits...

Our current and future focus will continue to be:

- Better customer experiences and outcomes
- Reduction in processing times and associated errors positively influencing complaint rates and costs
- Tailored services, usually at good margins
- Support and access to lending/capital



Contributing to income by

We deliver a sustainable contribution to Group revenue through offering long term value and great customer service to our customer base, prudent risk management and charging for:

- Interest income from loans less interest paid on deposits
- Fees for services provided



Sustaining business by

- Supporting society through responsible lending
- Responding to demand for digital banking by investing in innovative, cost effective platforms
- Running a financially stable, risk-conscious business
- Ensuring we have the right people with the right tools, delivering the most suitable services

UK Retail and Business Banking (UK RBB) > continued

This will ensure we will deliver the right outcomes for customers, quickly and transparently and keep them informed along the way.

It will also help our colleagues better understand what we need do differently to become 'Go-To' for our customers across Barclays' retail operations.

In 2013 we implemented a number of initiatives to affect this ambition:

- We made significant progress in our core processes satisfaction scores
- We asked customers how we can make banking better through the Your Bank campaign and we're using their ideas to make some real improvements
- We are also evolving the way we operate to meet customers' changing needs. The pilot we've recently announced with Asda, bringing us closer to offering services where and when our customers want them, and SkyBranch, which transforms how our telephony business connects with customers, are great examples of this

Colleague

We will continue to invest in our colleagues and create a diverse and inclusive environment allowing colleagues to fulfil their potential. This will ensure that our colleagues are fully engaged allowing them to provide excellent end-to-end customer service.

We also have an ambition to create the most digitally savvy workforce to help our customers become confident with digital banking.

During 2013 we started our search for 'Digital Eagles' – colleagues across the business to support digital awareness and understanding in the UK. With over 5,000 Digital Eagle colleagues across the UK we are well placed to achieve this ambition.

Citizenship

UK RBB continued to embed and contribute to the Barclays' 2015 Citizenship Plan. We have been focusing on the way we do business, listening more to our customers and showing them we've acted. We launched the Your Bank site where everyone (not just Barclays customers) can tell us what products and services will make their lives easier.

UK RBB continued to support the UK economy; advancing £1.8bn of gross new term lending to small businesses and helping over 120,000 start-ups. We also organise small business seminars, tools and trainings, which were attended by over 20,000 people in 2013.

We are supporting our community through activities such as LifeSkills, our free, curriculum-linked programme designed to give young people in the UK access to the skills, information and opportunities they need to help them towards getting the jobs they want. The programme has so far reached out to 276,000 young people.

Conduct

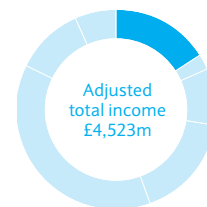
We continue to de-risk our portfolio ensuring everything that we do is open and transparent, this includes the way we're managing the PPI complaints process.

We are committed to building a culture based on Barclays' Values. We will continue to focus on the right outcomes for our customers delivered by empowered colleagues who act with integrity at all times. We have conducted business-wide risk assessments to identify conduct risk issues. We will use this process to measure and control these risks and in so doing eliminate the gaps between what our customers expect from us and what we deliver to them. We intend to lead the way in restoring trust and pride in our industry and becoming the 'Go-To' Bank

Company

Contribution to total income

£4,523m



| | 2013 | 2012 | 2011 |
|---------------------------------------|-------|-------|-------|
| Income (£m) | 4,523 | 4,384 | 4,621 |
| Adjusted profit before tax (£m) | 1,195 | 1,225 | 1,222 |
| Adjusted ROE (%) | 11.5 | 12.3 | 12 |
| Loan loss rate (bps) | 25 | 21 | 44 |
| Loans and advances to customers (£bn) | 136.5 | 128.1 | 121.2 |
| Customer deposits (£bn) | 135.5 | 116.0 | 111.8 |
| Distribution points | 1,560 | 1,593 | 1,625 |

UK RBB performed well in 2013, growing at a faster rate than the market in key products, including increasing its stock share of mortgages. Income increased 3% to £4,523m driven by strong mortgage growth and contribution from Barclays Direct (previously ING Direct UK, acquired during Q113).

UK RBB continued to restructure and invest in the business as part of the Transform strategy. Adjusted operating expenses increased 4% to £3,008m due to costs to achieve Transform of £175m.

Adjusted profit before tax decreased 2% to £1,195m.

Loans and advances to customers increased 7% to £136.5bn due to Barclays Direct, which added £4.4bn, and other mortgage growth.



More information on performance can be found online at barclays.com/annualreport

Future priorities

- Revolutionising our product set; offering simple products which are supported by industrial strength engines
- Investing in the customer experience; instant, transparent services with seamless multichannel access
- Selective balance sheet growth; opportunity with 'customers we know' in consumer lending and mortgages
- Cost reduction; delivery of straight through processing, reduction in paper and infrastructure

‘Your Bank’ – learning from our customers



We are determined to rebuild trust in Barclays and demonstrate day-in day-out that we are changing, and doing the right thing for customers. In September, we launched Your Bank – the online platform that allows us to continually listen, respond, anticipate and learn from our customers.

As well as getting feedback and sense-checking our ideas, we have created a place where customers can share their ideas and suggestions for how Barclays can be better shaped around their needs and individual life stages, putting them at the heart of everything we do.

In the first week we received over 370,000 interactions on the Your Bank site and 2,226 ideas.

With all of the ideas that we receive, we are taking a ‘you said, we did’ approach and have made 8 commitments to making real change for our customers.

1. We are undertaking a formal review of our overdraft charges in 2014, with a view to making them simpler and more transparent. We have already started pilots with the launch of text alerts in June to customers who had gone over their overdraft limit and into their personal reserve, which would mean they would traditionally incur a £22 charge. The alerts tell them they have a day’s grace to add cleared funds and avoid the charge. In the first three months, over 65,000 customers avoided charges totalling over £1.4m, a response rate of 27 per cent. We are

now looking at where else we can roll out text alerts as a next step. Yes it’s a cost to us, but it’s the right thing to do.

2. We have launched CloudIt through online and mobile banking as a result of customer feedback. Being able to access your secure documents whilst on the move will really make our customer’s lives much easier.

3. Contactless payments have been very well received by customers, so we’re now looking at alternative contactless methods of payments which we’ll be testing with customers.

4. We’re looking to pilot paying in coin machines in our branches. Our customers told us they’d welcome something that can automatically count coins and credit their account.

5. We will extend our free Barclays Pingit app to the under 16’s, subject to developing proper parental controls. Younger customers, being tech savvy, will benefit from the app allowing them to send and receive money simply using their mobile phone number.

6. We are going to allow our mobile banking customers to set up new payees on their mobiles. This will extend the app meaning that customers can really do much more on the move.

7. To further extend our services to a wider range of customers we’ve made our mobile banking app available on Windows platform and are planning to do the same for Pingit.

8. We have expanded our mobile banking services to include mortgage accounts, so customers can view their mortgage arrangements wherever they are.

'In 2013 we restructured our business and are now on track to deliver the Go-To Premier bank in Europe.'



Curt Hess
Chief Executive Officer, Europe RBB

The Europe Retail and Business Banking business model

Our social purpose

In the current challenging macroeconomic environment, we continue to support our customers helping them to achieve their financial goals and ambitions.

As a retail bank Europe RBB provides banking services and investment advice to over 1.8 million customers in Spain, Portugal, Italy and France in a safe, reliable and regulated manner.

Our customers

Our focus is on growing mass affluent and small business customers via our Premier proposition.

We will continue to support our existing mass market customers.

For them we provide

We offer a full range of banking, investment and insurance products tailored to meet our customers' needs. These include:

- Day-to-day transactional banking (e.g. current accounts, debit/deferred debit cards)
- Lending (e.g. lines of credit, personal loans, mortgages)
- Savings and investments (e.g. deposits, investment advice)
- Insurance (e.g. protection and long term savings)

Uniquely providing value through

Our value propositions...

- International strength
- Risk diversity
- Long heritage
- Relevant products and services tailored to individuals' financial goals and risk appetite
- Skilled relationship managers delivering investment advice and creating strong customer relationships
- Innovation in products and technology

In 2013 we made significant progress in transforming ourselves to become the 'Go-To' bank for mass affluent customers in Spain, Portugal, Italy and France

Market and operating environment

In 2013 the macroeconomic environment remained challenging – economic contraction, unemployment and political and regulatory uncertainty impacted both us and our competitors. Against these uncertainties we successfully reduced headcount and branch operations while taking steps to de-risk the business.

Going forward we will grow mass affluent customers, leveraging strong relationship management capabilities and a comprehensive product range, while capitalising on our global brand and investment services expertise. This focused strategy will enable us to compete successfully with local and international competitors. At the same time we will continue to support our existing mass market customers through a lower cost platform.

Business Model risks

Further deterioration in macroeconomic conditions in Europe could adversely impact credit risk through the deterioration in asset prices or a customer's ability to service repayment obligations.

The business continues to proactively work to identify and mitigate any operational risk of pending regulatory change without compromising customer service and minimise disruption to the progress of our business.

In executing our strategy, we need to ensure we can manage operational risk and grow the business without compromising on quality or control.

Balanced Scorecard



Customer and client

Our aim is to become the 'Go-To' bank for mass affluent customers. We will do this by providing customers with top quality service and a differentiated proposition based on relationship management and investment services.

We will measure our progress through our Net Promoter Score®. By reviewing our customers' feedback we will know whether we are achieving the positive customer experiences critical to our goal of growing mass affluent relationships.

In 2013 we launched initiatives to improve customer experience, including:

- A new Premier value proposition which provides customers with an experience tailored to their needs and ambitions
- Issuing iPads to our colleagues to speed up customer service and allow us to serve them where they are
- Faster credit approvals – in Spain 98% of customers get a decision within 2 hours
- Enhanced online capabilities which allow customers to customise the banking alerts and updates they receive from us

Contributing to strategy

Our international footprint and brand, investment services and advice, and skilled relationship managers differentiate Barclays in our European retail banking markets. In tough economic times, transforming our cost base whilst capitalising on these aspects will drive our journey to become the 'Go-To' bank for mass affluent customers.

Bring diverse benefits...

- Customers are helped to achieve their financial goals and ambitions
- Long-term relationships improve customer outcomes and generate sustainable revenue
- Improved profitability from focus on mass affluent customers
- Economies of scale from cost synergies across multiple geographies



Contributing to income by

We charge for our services and raise Group revenue through:

- Interest income from loans less interest paid on deposits
- Regular fees (account fees, advice, service and investment advice)
- Specific product sale and transaction fees



Sustaining business by

Returning the business to strength by:

- Growing income from affluent customers while retaining income from mass market customers
- Repositioning the business for the future
- Managing down our less attractive Exit Quadrant assets

Going forward, we place long-term relationships at the heart of our offer and will help customers achieve their ambitions by supporting their evolving banking needs. In doing so we will provide long-term stable income generation.

Europe Retail and Business Banking (Europe RBB) > continued

These contributed to strong customer satisfaction and high customer advocacy scores – in Portugal we ranked #1 for service quality in a recent mystery shopping survey and in Spain we ranked the #2 ‘most loved’ bank in a recent survey, well ahead of our mass affluent segment competitors.

Colleague

We are committed to investing in our colleagues and encouraging the right values and behaviours from them.

In 2013 we launched the ‘Premier Way’, a training program that enables relationship managers to have confident, professional discussions with clients about their holistic financial needs.

In 2014 this programme will expand to include financial planning as well as giving colleagues access to externally recognised professional qualifications.

Citizenship

We are implementing mechanisms to make citizenship part of what we do every day, as well as inspiring our colleagues, clients and other stakeholders to do the same.

In 2013 we implemented the Citizenship Lens into our processes for approving new products.

We continued our commitment to local communities by investing in employability programs for young people – Europe RBB colleagues have contributed over 11,000 hours to help their local communities.

Conduct

We are dedicated to delivering the right outcomes for our customers.

In 2013 we raised awareness of conduct as a principal risk across the business and launched a Code of Conduct to guide how we all should work each day. We also commenced a programme to review critical end-to-end processes and identify possible conduct issues – in doing so identify potential mitigants to eliminate the gap between what our customers expect from us and what we deliver to them.

Company

Contribution to total income

£666m



| | 2013 | 2012 | 2011 |
|---------------------------------------|--------|--------|-------|
| Income (£m) | 666 | 708 | 1,004 |
| Loss before tax (£m) | (996) | (343) | (767) |
| Adjusted ROE (%) | (45.2) | (12.9) | (9.7) |
| Loan loss rate (bps) | 75 | 64 | 43 |
| Loans and advances to customers (£bn) | 37.0 | 39.2 | 42.7 |
| Customer deposits (£bn) | 45.0 | 46.1 | 50.2 |
| Distribution points | 633 | 1,142 | 1,228 |

Europe RBB continued to focus on restructuring the cost base of its business in 2013, as part of the Transform strategy. Income declined 6% to £666m, reflecting actions taken to reduce assets, particularly in Spain and Italy, to address the continuing economic challenges across Europe.

During the year the business reduced full time equivalent employees by 1,600 and closed over 500 distribution points. Operating expenses increased by £435m to £1,242m, almost entirely reflecting costs to achieve Transform of £403m.

Loss before tax increased £653m to £996m, including costs to achieve Transform of £403m and an increase in other net expenses.

Europe RBB also rolled out a new Premier customer proposition, targeting profitable growth from the mass affluent segment, in a drive to increase margins.

Loans and advances to customers fell by 6% to £37.0bn, driven by asset reduction activity as part of the Transform strategy.



More information on performance can be found online at barclays.com/annualreport

Future priorities

In 2014 we will:

- Grow Premier customers
 - Acquire new mass affluent customers
 - Deepen relationships with existing customers
- Continue to control costs by transitioning mass market customers to lower cost channels over time
- Optimise the performance and accelerate the run-off of our less attractive Exit Quadrant assets

Happy customers and healthy relationships



For one Italian customer Barclays has provided investment management and advice for three years and over that period developed a healthy and profitable relationship.

During this time we have worked to provide the customer with bank-assurance products, mutual funds, structured products, asset under custody and liquidity products. In doing so we have successfully deepened our relationship with the customer by more than doubling his assets under management over a two year period.

This customer is a strong advocate for Barclays and has been extremely satisfied with his Premier relationship manager – highlighting the professionalism, proactivity and transparency of the services his relationship manager provided as the reasons for the customer's high satisfaction.

In addition to the high quality day-to-day relationship, we were also able to leverage some of the benefits we get from being part of a UK based global bank by giving this customer the opportunity to attend exclusive events that the customer greatly appreciated. These have helped us enhance our relationship.

Going forward we will continue to work closely with this customer to meet their personal banking and investment needs.

But we're not stopping there! We know this customer owns a successful SME business and we want to further deepen our relationship by providing products and services to that business – in doing so help our client achieve his ambitions across both his professional and personal life.

‘We offer our clients deep local knowledge and presence and the expertise and support of a global bank.’



Maria Ramos
Chief Executive, Africa

Africa business model

Our social purpose

Customers and clients from individuals to multinational corporates have specific banking and insurance needs that are driven by their ambitions. These range from local and cross border payments, financing their plans through loans, gaining access to capital markets receiving specialised advice or securing protection through insurance. By providing these fundamental financial activities we play a key role in empowering Africa.

Our customers and clients are those

- Retail customers across the mass, middle market and affluent markets
- Business customers including small and medium enterprises and commercial ventures
- Large corporates, public sector bodies and financial institutions
- Retail, commercial and corporate customers and clients seeking wealth, investment management and insurance solutions

For them we provide

- Full suite of retail banking products and services
- Full range of commercial transactional, investment and lending products
- Specialist investment banking, corporate banking, financing, risk management and advisory solutions
- Insurance, fiduciary and non-banking related investment products and services to retail, commercial and corporate clients
- Wealth management services for high net-worth individuals

Uniquely providing value through

Our value propositions...

- Deep local knowledge and presence
- Expertise and support of a global bank
- Providing and enhancing access to the continent by being the bridge between local and global markets
- New and innovative solutions across the banking and insurance spectrum
- Reduced costs of doing business
- Contributing to Africa's growth and development

The African continent provides an excellent growth opportunity for the Group. With our strategy for Africa, we are well-positioned to benefit from this emerging market opportunity.

Market and operating environment

Emerging markets' growth eased somewhat in 2013 whilst developed country central banks maintained their accommodative monetary policy stance, with some cutting interest rates and others injecting liquidity into the financial system. South Africa's economic growth remained muted and we faced increasingly strong competition. In our rest of Africa markets, economic growth remained resilient. Our regulatory environment continues to evolve and rising customer and client expectations as well as new technologies are challenging how we do business.

Business Model risks

Current economic conditions in South Africa bring increased financial pressure on customers and clients, some of whom may already be struggling to fulfil their payment obligations when faced with subdued economic activity and potentially rising interest rates. Rest of Africa challenges such as infrastructure constraints, lower commodity prices, and fiscal and current account imbalances in some markets have led to modest declines in our economic growth forecasts for some of the economies.

Intensified regulatory and government intervention ensures a sound operating environment; however, it does lead to increased cost of compliance and complexity of doing business.

We continue to see a host of emerging and non-traditional competitors as well as increasing consumer expectations for traditional banks to meet new service standards.

Balanced Scorecard



Customer and client

Barclays is a powerful local bank, a powerful regional bank and a powerful global player. We use this unique advantage to the benefit of our customers and clients.

In Retail and Business Banking (RBB), we have focused on enhancing the customer experience. In South Africa this began with simplifying transactional product offerings, expanding the digital experience through the launch of our banking app, and rolling out a fully integrated online insurance platform. In our rest of Africa markets, customers are benefiting from revised Premier and Prestige banking proposition, Barclays Direct, Worldmiles Platinum credit / debit card as well as CashSend money transfer. It is our goal to simplify processes and improve customer experience.

We will measure our progress in our RBB businesses through our Net Promoter Score® a widely used measure of customer advocacy. Through regular and rigorous review of our customers' and clients' feedback we will identify where and how we need to invest to make the customer journeys simpler, more intuitive and more personalised.

Contributing to strategy

Our competitive position is a combination of being a powerful local, regional and global bank. We use this advantage for the benefit of our customers and clients – becoming their 'Go-To' bank across our Retail and Business Banking, Corporate and Investment Banking as well as our Wealth, Investment Management and Insurance businesses.

Bring diverse benefits...

- Better customer and client experiences and outcomes
- Reduction in processing times and associated errors
- Tailored services
- Support and access to lending / capital
- A gateway to the best of Barclays advice and services

Contributing to income by

- Interest income from loans less interest paid on deposits
- Regular fees (account fees, advice, service and investment advice)
- Specific product sale and transaction fees
- Commissions and spreads on client transactions
- Minimising impairment through responsible lending and supporting customers and clients back to financial health

Sustaining business by

- Building upon our strengths, replicating what we do well and continuously improving our offerings
- Targeting our activities in those areas where we know we can compete strongly and provide best in class solutions
- Making the investments into simplifying how we operate, while ensuring we keep this transparent for our customers and clients
- Running a financially stable, risk conscious business
- Ensuring we have the right people giving the right advice, delivering the most suitable services

For our Corporate and Investment Banking clients we continue to bring African clients to the global financial markets and give our global clients access to Africa. For example, we are leveraging our leading foreign exchange platform BARX Africa to trade 40 currencies across our key African markets. We have completed a pilot for Barclays.Net – a streamlined and full-featured cash management platform for our corporate and commercial clients with full roll-out in South Africa in 2014.

In 2013, we were named Best Debt House in Africa for the fourth consecutive year by EuroMoney, Best Bond House and Best FX House at the Spire Awards and we were voted best Overall Bank by Risk South Africa.

We have a strong plan in place to continue capturing the opportunities before us by improving customer and client experience, driving process simplification as well as innovative products and systems.

Colleague

We have made notable progress in building a talent pipeline that supports our ambitions and our expanded African footprint provides a unique opportunity for talented people to advance their careers. We want to be known for our leadership bench strength and we have embarked on a number of transformational leadership and values based programmes which are designed to support our leaders in delivering on a demanding performance agenda.

Citizenship

Our ambition is to help facilitate greater, more inclusive prosperity in Africa. In 2013, we consolidated our citizenship structures thus strengthening our ability to deliver our African plan. Over the year our activities ranged from funding renewable energy projects to increasing access to financial services for individuals and small businesses. We continued to invest our community investment spend in targeted skills development programmes with proven job creation capabilities. Our colleagues continued to participate in a range of volunteering events such as the Nelson Mandela Day in South Africa and Barclays global Make a Difference Day campaign.

Conduct

Our values underpin the way we behave and form the backbone of our reputation as a trusted financial services provider. Our ongoing programme to bring our revised values alive culminated with the launch of the Barclays Way – a global Code of Conduct – to embed clear and consistent expectations of behaviours across the Group.

In addition to our underlying values, we believe that laws, regulations and codes are an enabler to our business – ensuring that we make informed decisions in how we manage our business and sustain ourselves into the future.

As with many other jurisdictions, we are managing regulatory change as well as increasing expectations from stakeholders, and our response supports our commitment to treat our customers fairly and operate with integrity.

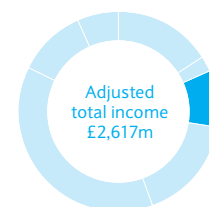
Basis of Company reporting

Barclays Group reports Africa RBB separately and the following information relates specifically to the Africa RBB reporting segment. Results from other global businesses operating in Africa are integrated within each respective business' results.

Company

Contribution to total income

£2,617m



| Africa RBB | 2013 | 2012 | 2011 |
|---------------------------------------|-------|-------|-------|
| Income (£m) | 2,617 | 2,928 | 3,364 |
| Profit before tax (£m) | 404 | 322 | 730 |
| Adjusted ROE (%) | 0.4 | (0.1) | 7.4 |
| Loan loss rate (bps) | 128 | 202 | 136 |
| Loans and advances to customers (£bn) | 24.2 | 29.9 | 32.5 |
| Customer deposits (£bn) | 16.9 | 19.5 | 20.3 |
| Distribution points | 1,396 | 1,451 | 1,493 |

2013 was affected by increased competition, a changing regulatory environment and foreign exchange movements, as average ZAR depreciated 16% against GBP. Income declined 11% to £2,617m driven by foreign currency movements, partially offset by the non-recurrence of fair value adjustments in the commercial property finance portfolio in the prior year. On a constant currency basis, income improved 5%, despite continued pressure on transaction volumes in a competitive environment.

The business incurred £26m of costs to achieve Transform which supported the re-shaping of the branch network and ongoing work on digitalisation of customer channels and products. Operating expenses decreased 4% to £1,896m. On a constant currency basis, costs increased 11% driven by a combination of increased investment spend on infrastructure and inflation increases in South Africa.

Profit before tax increased 25% to £404m. On a constant currency basis, profit before tax was up 57%, largely as a result of lower impairment provisions on the South African home loans recovery book.

Loans and advances to customers decreased 19% to £24.2bn as foreign currency movements offset growth of 2%, particularly in vehicle and asset finance.



More information on performance can be found online at barclays.com/annualreport

Future priorities

We have articulated very clear priorities for 2014:

- Continuing the turnaround programme for our RBB franchise in South Africa, and the build out across the continent;
- Investing in Corporate Banking across the continent;
- Capturing the growth opportunity in our Wealth, Investment Management and Insurance franchise;
- Continuing to invest in and develop the talent we have across the business; and
- These priorities are underpinned by an investment programme of over ZAR 3bn that will be invested into several large projects such as transforming our branches, integrating and standardising IT, investing in our digital capabilities and creating efficient processing hubs in the right locations.

Working together to serve global and regional clients and local customers



We are bringing together the best of our African businesses with the best of our global franchise to the benefit of our customers and clients.

During 2013, we worked closely between our operations across Africa and with our global colleagues to meet the needs of our customers and clients. We have been the bridge between local and global markets, we have helped our African clients achieve their regional growth ambitions and we have brought new products and solutions to our customers, clients and the communities in which we operate.

Local going global

Acting as a joint-lead arranger we have raised \$1bn for South African state-owned power utility Eskom through a 10-year bond offering. The transaction achieved \$4bn in investor demand and represented Eskom's second US Dollar issuance. We are the only institution to have acted as joint-lead manager on both issuances.

Global going local

Acting as the sole sponsor and joint financial advisor, we helped Glencore Xtrata, a global diversified natural resource company to access Africa with a listing on the Johannesburg Stock Exchange. This listing makes investment in Glencore more accessible to South African investors through its classification as a 'domestic' equity.

Local going regional

South African companies are looking at the rest of the continent for growth and we continue to help the expansion of corporates on the continent. We are supporting a clothing retailer's expansion into Ghana and won the tender to provide services to a major food retailer across six countries – Botswana, Ghana, Mauritius, Tanzania, Uganda and Zambia.

Access to global products and services

With Barclaycard, we have rolled out a Worldmiles Platinum credit card in Botswana, Egypt, Kenya and Mauritius and the debit card version in Egypt, Ghana, Tanzania, Uganda and Zambia providing local customers with access to a leading global product. We have also worked closely with Barclaycard to launch the Pebble – a mobile payment device – in South Africa.

Leveraging the Barclays Social Innovation Facility for product and services that drive social and commercial value

With GlaxoSmithKline, we are investing up to £7m over three years, to help remove financial barriers to healthcare access while supporting small business development and job creation in Zambia. By combining our skills, expertise and resources, we hope to tackle the challenges of last mile delivery and create a model that could be scaled across Africa to help more people gain access to affordable healthcare.

‘Barclaycard is one of the few global leaders in payments that provides ‘Go-To’ solutions to both buyers and sellers, enabling us to deliver consistent growth and welcome close to 14m new customers in the past three years.’



Valerie Soranno Keating
CEO, Barclaycard

The Barclaycard business model

Our social purpose

The ability to buy and sell goods or services easily and securely is an important human need – and essential to create the right environment for economic growth. Barclaycard is an international payments company, enabling consumers and businesses to make and take payments. We provide the ability to fund these payments with credit.

Our customers are those

Barclaycard supports **consumers and businesses making payments** for goods and services – and the **parties taking those payments**. We operate in nine countries – United Kingdom, United States, Germany, Spain, Portugal, South Africa through Absa Card and Norway, Sweden and Denmark through the EnterCard joint venture.

We support UK RBB and Absa in offering credit cards as part of an offering to consumers who are looking for a holistic relationship with their retail bank, and support Corporate Banking in providing a suite of payment services for businesses.

For them we provide

We enable consumers and businesses to **make payments** quickly, securely and internationally, facilitating the flow of funds for those wanting to make payments in-store and digitally.

We provide **flexible credit solutions to consumers and small businesses** via consumer and corporate credit cards, underwriting the credit risk.

We enable consumers and businesses to **take payments**, facilitating purchases in-store and digitally, while offering solutions for point of sale finance and merchant offers.

Uniquely providing value through

Our value propositions...

- Support the requirements of both the buyers and sellers in the payment process
- Use diverse distribution channels to reach a broader set of customers
- Utilise scale and international reach to enable sharing of analytics, costs and best practice, and ultimately better meet consumer needs
- Facilitate the launch and use of innovative products
- Support economies of scale and reduced costs

Barclaycard operates in the fast-growing consumer payments space, supporting buyers and sellers by enabling consumers and businesses to make and take payments. We provide the ability for consumers and businesses to fund these payments with credit.

Market and Operating environment

The consumer payments sector is growing rapidly as a result of changing customer behaviour, based on the growth of electronic and mobile commerce and changing payment preferences as key factors. New technology, competition and regulations all present opportunities, but also the need to adjust our business model. Our customers and clients want us to do more for them, and to do it better, faster and cheaper, and digitally. This presents many opportunities for Barclaycard and also presents challenges.

Business Model risks

This changing marketplace could create risks to the Barclaycard business model. The emerging competitive landscape in consumer payments is seeing new players enter the payment value chain, and new use of technology generating the need for continuous innovation and technology investment. Our unique ability of supporting both buyers and sellers, diverse distribution channels, and the scale of our business in multiple countries helps to mitigate the impact of this risk.

Other potential risks come from macroeconomic headwinds creating further credit risk for our customers and reducing income through potential margin compression, impacts of further regulatory change or increased operational risk. Our diversified business model and commitment to leading standards for business practice should help limit the potential impact from these.

Balanced Scorecard



Customer and client

Barclaycard serves 35.5m customers, an 8% increase on prior year and 350k business clients, an 11% increase. We have focused on offering customers simple, innovative products as part of our objective of moving from satisfied customers to customers who are strong advocates of our business. We have implemented Net Promoter Score® as our key customer metric to measure this.

We have continued to build on a heritage of innovation, supporting more than 1m payments enabled devices across three continents and working with Transport for London on acceptance of contactless cards for over 6.5m bus journeys in the UK. We have launched bFlex, a revolutionary, flexible finance product designed for online purchases. Our tailored offers engine for UK customers, 'bespoke', has reached over 800k registered users, of whom over half are new to Barclays.

We have also worked with other areas of Barclays to better serve our customers, such as through the 'Better Together' initiative, which combines current accounts and Barclaycard Freedom Rewards to provide customers with access to credit and the launch of Absa Pebble, Africa's first mobile payment acceptance device.

Contributing to strategy

Barclaycard operates in the fast-growing consumer payments industry, with clear growth opportunities. Providing our customers with solutions that are simple, offer clear value, always work, increasingly digital and instant and create emotional engagement will enable us to become the 'Go-To' bank for consumer payments.

Bring diverse benefits...

- Generating revenue streams from both parts of the relationship
- Appeal to those who seek 'all-in-one' banking relationships as well as those who prefer discrete propositions
- Improved services and customer insights
- Faster innovation at lower risk
- Access to diverse distribution channels
- Attractive growth potential
- Lower costs
- Lower risks from world class analytics
- Higher returns
- Greater resilience to economic cycles due to operating in multiple geographies and supporting both sides of consumer payments



Contributing to income by

We charge for our products and services, contributing to Group revenue through:

- **Interest income** from consumers and businesses opting to use the credit we offer
- **Transaction fees** from facilitating the payment flow, both from consumers making payments and from businesses accepting payments
- **Service fees** from value-added features for consumers and businesses, such as monthly fees for point of sale terminals or the fee for transferring an outstanding credit card balance from another card



Sustaining business by

Society's underlying need to make and take payments won't change – and seems likely to increase as more sophisticated electronic and digital solutions are required by customers.

Our role is to support and facilitate the ways that people wish to make and take payments – while ensuring we lend responsibly to those that credit is suitable for.

Because of our role as a trusted **international payments company** and by responding to customer and market needs, Barclaycard has maintained its position as the 8th largest consumer payment company in the world.

Through our customer focus, we have seen a 39% reduction in complaints to a level of 3.12 per 1,000 accounts in 2013 and zero high-rated Regulatory Compliance monitoring reviews.

Our leading products have received numerous industry awards, including the Moneyfacts award for 'Best Card Provider' for both our Balance Transfer rate (3rd year in a row) and Standard rate products in the UK, being ranked 2nd among Visa/MasterCard issuers in the 2013 JD Power industry customer service rankings in the US and winning the 'Best Corporate Card Provider' at the Business Travel Awards.

Colleague

We are committed to attracting, developing and retaining colleagues of the highest calibre and integrity. We continue to bring in the best talent from diverse backgrounds, while developing our existing talent. We ensure progression and rotation at all levels of the organisation and follow a structured learning and leadership development programme to develop our colleagues.

In 2013, we continued to make progress with our diversity agenda, with 34% women in senior leadership. We have also sustained high levels of colleague engagement to ensure talent retention, with 95% of high performers retained.

We have moved our Absa Card office to a new, world-class site in Pretoria and won the Customer Service Training Network 'Training Programme of the Year' award for our UK contact centres.

Citizenship

Barclaycard has continued to embed and contribute to the Barclays' 2015 Citizenship Plan.

We have continued to focus on 'the way we do business' to ensure we are fair and transparent. We have simplified the Terms & Conditions of many of our products.

We have ensured we are supporting the economy and contributing to growth, including offering £15.8bn in new lending to businesses and households in 2013, and adding a charity redemption category for Freedom Rewards customers in the UK who want to donate their collected points.

We are supporting our community through activities such as Royal British Legion London Poppy Day, supporting poppy sales with our colleagues and contactless terminals.

Conduct

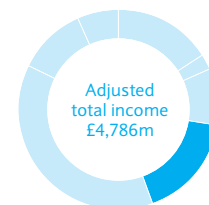
We continue to rollout the Barclays Values and Behaviours, empowering our Values Leaders to embed them with their colleagues.

Barclaycard continues to review policies and practices to identify and proactively ensure that they continue to be simple, leading, innovative and transparent, including those associated with handling PPI complaints. We are committed to ensuring that we adhere to the highest standards of conduct, proactively driving cultural change through developing best-in-class conduct risk awareness training.

Company

Contribution to total income

£4,786m



| | 2013 | 2012 | 2011 |
|---------------------------------------|-------|-------|-------|
| Income (£m) | 4,786 | 4,344 | 4,305 |
| Adjusted profit before tax (£m) | 1,507 | 1,482 | 1,212 |
| Adjusted ROE (%) | 18.4 | 19.8 | 16.1 |
| Loan loss rate (bps) | 337 | 294 | 394 |
| Loans and advances to customers (£bn) | 35.6 | 33.8 | 31.0 |
| Customer deposits (£bn) | 38.9 | 38.2 | 34.8 |

Barclaycard continued to grow in all markets, with a net increase of nearly three million new customers in 2013. Income improved 10% to £4,786m reflecting continued net lending growth and contributions from 2012 portfolio acquisitions.

The business incurred £49m of costs to achieve Transform, as it continued to seek to become the 'Go-To' bank for consumer payments. Adjusted operating expenses increased 11% to £2,048m reflecting increased costs from 2012 portfolio acquisitions, net lending growth, higher operating losses and costs to achieve Transform.

Barclaycard continued to deliver adjusted profit growth, improving 2% to £1,507m driven by the US and UK card portfolios.

Total assets increased 2% to £38.9bn primarily driven by the increase in loans and advances to customers across the UK and international businesses.



More information on performance can be found online at barclays.com/annualreport

Future priorities

Barclaycard will become the 'Go-To' bank for consumer payments through:

- Delivering simple, leading and innovative products to our retail consumers and business clients that help them achieve their ambitions – in the right way.
- Maintaining our track record of delivering strong financial performance, and delivering against the Transform targets through continued efficiencies, realising economies of scale, diversifying our business model and using world class analytics.
- Attracting, developing and retaining colleagues of the highest calibre and integrity.
- Continuing to have a positive impact in local communities by creating sustainable relationships and using the skills of the business and our colleagues to support these communities.
- Focusing on 'the way we do business' to ensure that our products and services are industry-leading in transparency.

Payment flexibility



Marco Tripoli is a charismatic ladies' fashion designer and boutique owner in South-West London. He uses a Barclaycard ePDQ terminal in his shop to take payment by credit or debit card.

Marco's tiny shop in Barnes is bursting at the seams with unique handbags, jewellery and clothes – around half of which Marco designs himself, the rest arriving twice weekly from all over Europe. His brand is built on a few key selling points: commitment to quality, sustainability and affordability, and a unique approach to customer service.

When women fall in love with a bag or dress at Tripoli's, they're not constrained to a quick decision in a cramped fitting room. Thanks to his Barclaycard ePDQ terminal, Marco can give his customer the option to try before she buys, in the comfort of her own home.

"Many of my customers pop in on their way back from dropping the kids at school and if they like something, they'll take it with them to try on at home," says Marco. "That way, they can see how a dress looks with their own shoes and accessories – or how one of my handbags complements an outfit."

After closing for the day, Marco calls personally at each of his prospective customers' homes. If they've decided against an item, it goes back to the shop with him. And if they've decided to buy, Marco simply uses his ePDQ terminal to take payment by credit or debit card.

"This works really well for people who have children and can't come back to the shop in the afternoon. It's convenient for them and a much friendlier way to do business. In fact, technology, often considered to be faceless and impersonal, actually allows me to have a far more personal service with my customers."

Marco also uses his flexible payment machine at events all over London. At a recent local fair, ePDQ helped him sell 45 tote bags – purely thanks to the convenience of paying by card.

Marco is proud of his service-led, community-centric approach. 5% of his net profits go to a local charity that helps the elderly and disabled – and many of the small businesses in Barnes promote each other's services whenever they can.

These traditional, ethical business values are reflected in the high level of personalised support that Marco's had from his dedicated Barclaycard account manager, Andy.

"He's extremely proactive and offers advice whenever he can. He recently recommended that I use an accounting package to manage my daily expenditure and it's saved me £200 a month in accountancy fees. He really does go over and above what you'd expect."

When Marco's machine broke down the night before a big event in Wimbledon, he simply called Andy and another one was flown immediately from Scotland to London. "It arrived 15 minutes before the event started," says Marco, "You just can't put a value on service like that."

‘From our unique position with dual home markets and truly global reach, we are transforming the Investment Bank so that we can continue to help our target clients achieve their ambitions.’



Eric Bommensath
Co-Chief Executive, Corporate and Investment Banking



Thomas King
Co-Chief Executive, Corporate and Investment Banking

The Investment Bank business model

Our social purpose

We help companies, institutions and sovereigns around the world to grow, and through them help millions of people to achieve their ambitions. We facilitate the movement of capital between those who need it to grow their company or build new infrastructure, for example, and those who are looking to generate a return from investment.

In doing so, we fund and facilitate economic growth around the world.

Our clients are those

- **Corporates** seeking to maximise value for their owners and shareholders, for example, through organic business growth, M&A activity and investing excess capital
- **Institutions** such as Pension funds and Hedge funds that seek to manage assets on behalf of clients, to meet their long-term investment needs
- **Sovereigns** such as Countries or Government departments that seek to deliver their growth plans, and improve living standards for their citizens

For them we provide

- **Long term strategic advice** on mergers and acquisitions, corporate finance and strategic risk management solutions
- **Execution and risk management services** across the full range of asset classes including equity and fixed income, currency and commodity products
- **Prime brokerage services** including financing, clearing and settlement of transactions and account servicing and reporting
- **Multi-asset class and macroeconomic research** delivering actionable ideas to help our clients make informed investment decisions

Uniquely providing value through

Our value propositions...

- Global footprint with unique dual home markets in the UK and US
- A market leading flow franchise across all core Fixed Income, Currency and Commodities (FICC) products
- Established and growing Equities and Banking businesses
- World-class research capabilities

The Investment Bank is a leading provider of advice, financing and risk management solutions to companies, governments and institutions around the world.

Market and operating environment

Market conditions and the wider operating environment have remained challenging in 2013. While equity markets, advisory and underwriting all saw gains, continued macroeconomic uncertainty over the future of central bank bond buying programmes led to reduced volumes in Fixed Income markets. At the same time, the implementation of Basel III and new leverage ratios is increasing the constraints on capital allocation across the industry, thereby limiting opportunities for business growth.

Business Model risks

A rapidly evolving regulatory environment combined with a subdued macroeconomic environment has impacted the profitability of capital intensive business lines.

To help mitigate this impact we have been actively rebalancing our business model through growth in Equities and Investment Banking and further intensifying focus on capital management, leverage and the reduction of our Exit Quadrant assets. We continue to keep our business model under review.

The Investment Bank still faces litigation risk and we continue to invest time and resources in strengthening our control environment, evolving our culture and simplifying and de-risking products.

Our business relies on the quality of our people, and so we also continue to reinforce our employee value proposition through a focus on learning and development and, in light of global compensation legislation, reiterating our commitment to pay for performance.

Balanced Scorecard



Customer and client

Becoming the 'Go To' partner for our clients is about building strong and deep relationships which enable us to support them in achieving their ambitions. To attain this aim we are focused on:

- Building strategic relationships with our clients by providing long-term solutions
- Providing a world-class client experience through the calibre of our people
- Offering seamless and efficient execution of transactions
- Developing the highest standards of client conduct through an enhanced product suitability framework

In 2013, we were named the best Flow House in Western Europe, the Best Flow House in North America and the best UK investment Bank by Euromoney.

Contributing to strategy

The Investment Bank aims to be the 'Go-To' partner for corporate, institutional and sovereign clients, by combining expert insight, advice and market leading execution capabilities to deliver the products and services they need to invest, grow and manage risk.

Through our client focused flow business model we provide diversity of income and diversity of risk to Barclays, and are able to deliver market execution services for retail, wealth, institutional and corporate customers.

Bring diverse benefits...

- Holistic solutions to meet clients' global needs
- Efficient execution and pricing
- Expert insight and knowledge
- High quality, streamlined client experience
- Reduced variability of income and risk



Contributing to income by

We generate revenue in many different ways, depending on the services we provide to a client. We may charge for our knowledge and expertise, our platform, our capital, or a combination of the above.

That can include fees for our advice, commission for underwriting financing transactions, interest on loans to corporates or other banks, or the price spread on client trades, amongst other things.



Sustaining business by

We seek to build long-term sustainable relationships with our clients by working with them as a strategic partner. We provide solutions that are in their best interests over the longer term.

We continue to evolve our products and services in line with changing client expectations, changing regulation and technological advances to ensure we continue to meet and exceed the needs of all our stakeholders in a continuously changing environment.

Colleague

Our people are fundamental to the performance of our business. We aim to support our colleagues to achieve their ambitions by:

- Providing world-class opportunities for career progression and global mobility
- Delivering industry leading solutions for clients
- Embracing diversity and inclusion
- Rewarding competitively for performance

2013 saw the launch of our Purpose and Values agenda, embedding them into all our HR processes including recruiting, promotion and performance management. Employee engagement was a key theme during the year with increased focus on Talent Management and Succession Planning; initiatives which saw a number of senior management moves across the Investment Bank. We continue to place Diversity & Inclusion to the forefront of our Talent agenda, because it is the right thing to do and because our clients are becoming increasingly diverse.

Citizenship

The Investment Bank contributes to the 2015 Citizenship Plan across our business.

In 2013 we supported a wide range of transactions that make a direct difference to our communities. We did this across our core competencies of capital raising, lending and distribution across various sectors including public finance (governments, supnationals, development banks and other public sector entities), alternative energy and life sciences sectors.

In addition, we provided employment and training opportunities for over 650 graduates, and our staff contributed over 48,000 volunteer hours in 2013 to worthwhile causes around the globe.

Conduct

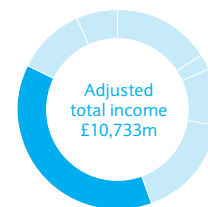
Conduct is about ensuring that our products and services are designed and distributed to meet the needs of our clients and that we act with integrity in everything we do. In 2013 we have continued to invest heavily in this area through focus on the following:

- Culture and Organisation: Embedding our culture by completing values and behaviour training for all our staff and re-balancing how we assess and reward our people to place increased focus on conduct, risk and control
- Frameworks: Developing a comprehensive conduct risk framework and developing tools that support the consistent delivery of controls
- Governance: Putting in place an enhanced governance model including the introduction of a Chief Controls Officer, Reputation Risk Committee and Conduct Risk Steering Committee
- Control Initiatives: Strengthening control design around the trade lifecycle including with relation to unauthorised trading and key benchmark submissions

Company

Contribution to total income

£10,733m



| | 2013 | 2012 | 2011 |
|--------------------------------|--------|--------|--------|
| Income (£m) | 10,733 | 11,775 | 10,222 |
| Profit before tax (£m) | 2,523 | 3,990 | 2,415 |
| ROE (%) | 8.2 | 12.7 | 7.7 |
| Cost: income ratio (%) | 75.0 | 65.0 | 76.0 |
| Compensation: income ratio (%) | 43.2 | 39.6 | 48.4 |

While industry FICC revenues reduced in 2013, strong growth was seen in the Equities franchise, which continued to outperform the market. Total income decreased 9% to £10,733m, including a reduction of £309m relating to the Exit Quadrant. FICC income decreased 17% to £5,537m. Equities and Prime Services income increased 22% to £2,672m reflecting higher commission income and increased client volumes. Investment Banking income increased 3% to £2,200m driven by increased equity underwriting fees, partly offset by declines in financial advisory activity.

The Investment Bank continued to make progress in delivering part of the Transform strategy in 2013. The business incurred costs to achieve Transform of £262m, primarily related to restructuring across Europe, Asia and America. Operating expenses increased 5% to £8,012m, driven by costs to achieve Transform, UK bank levy which increased 62% to £333m, cost increases related to infrastructure improvement, and provisions for litigation and regulatory penalties of £220m in Q413, mainly related to US residential mortgage-related business.

Profit before tax decreased 37% to £2,523m.

Total assets decreased £209.9bn to £863.8bn, primarily reflecting decreases in derivative financial instruments, cash and balances at central banks, and trading portfolio assets.

CRD IV RWAs reduced to £221.6bn (30 June 2013: £254.1bn) through accelerated sell down of the Exit Quadrant assets and continued focus on driving efficiency in the ongoing business.



More information on performance can be found online at barclays.com/annualreport

Future priorities

Our priorities to become the 'Go-To' Investment Bank are to:

- Focus our people and resources on building the deepest relationships possible with our target clients so we become a first call
- Invest in market-leading talent and technology to deliver the best client experience and remain responsive to clients' changing needs
- Make efficiency and control a competitive advantage by increasing standardisation and automation across the platform to reduce cost to serve and strengthen controls

Advising on one of the largest mergers & acquisition deals in history



Verizon is one of the world's largest telecommunications companies, and its mobile subsidiary, Verizon Wireless, is the number one and most profitable wireless business in the United States.

Barclays has had a longstanding inner-circle strategic and financing relationship with Verizon, dating back to 2003. When Verizon decided to acquire Vodafone's 45% stake in Verizon Wireless for \$130bn, in the third largest M&A deal ever, Verizon turned to Barclays to act as a financial advisor and joint lead arranger for the largest acquisition finance bridge facility in history. Barclays also served as a main underwriter and lead manager on Verizon's subsequent record breaking \$49bn bond offering.

This landmark transaction will help Verizon achieve its long-term ambition of owning 100% of Verizon Wireless, and it will position Verizon to provide more efficient, industry leading products and solutions to its customers.

It also serves as a clear demonstration of what we mean by 'Go-To': building long term client relationships and combining strategic advice and deep financing expertise to help our clients achieve their business goals.

‘Corporate Banking continues to support businesses both in the UK and internationally, and in 2013 delivered the best results since its creation in 2010.’



John Winter
Chief Executive Officer

The Corporate Banking business model

Our social purpose

Small and large businesses of all types have specific day-to-day banking needs that enable them to achieve their commercial ambitions. These range from the simpler operational necessities such as paying staff and receiving payments to cross-border transactions in Europe and global markets. We are open for business and ready to increase lending to viable businesses.

Barclays Corporate Banking supports over 40,000 businesses to achieve their goals in 27 countries across Europe, Africa, Middle East, North America and Asia. In doing so Corporate Banking enables domestic and global trade, job creation and economic growth.

Our clients are those

In our key domestic markets of UK and South Africa we bank and provide services to businesses, except for the smallest firms (served by RBB Business Banking). Corporate Banking is also one of the largest long-term lenders to the public sector in the UK, supporting Local Councils, Colleges and Universities and Social Housing projects.

Outside of these geographies we focus on meeting the international needs of global businesses, Financial Institutions, Non-bank Financial Institutions and international organisations.

For them we provide

- Lending to firms, supporting operations and fuelling growth
- Safeguarding clients' deposits and enabling them to manage their cash
- Facilitating clients' payments and receipts
- Financing global trade and providing foreign exchange
- Protecting larger companies from the risk of adverse market changes
- Introducing products and services from other parts of the group, such as Barclaycard, Wealth, Investment Management and Investment Bank

Uniquely providing value through

Our value propositions...

- Deep understanding of clients' sectors and their individual business through long-lasting relationships
- Global trade expertise and access through the European, African, US and Asian corridors
- Innovative products and services to suit clients' changing needs
- Access to world-leading experts across Barclays Group for specialist financial needs
- Assisting clients to come back to financial strength

Corporate Banking remains an attractive business, with companies searching for strong banking partners. However, the economic and regulatory environment continues to be challenging.

The global corporate banking market is still growing and profitable although with significant differences across geographies, customer segments and sectors.

- UK economic recovery is gathering pace
- Signs of improvement in the European economy
- The multinational corporates segment will grow faster than large/mid-Corporates segment. However, top clients in this segment are targeted by both global and specialised local competitors

Risks to our business model

The corporate banking industry is facing a number of risks that we have anticipated and are planning to mitigate:

- Some sectors and geographies will likely remain challenging particularly if interest rates rise. This could trigger increases in loan loss rates particularly in the UK where loan loss rates are at a Corporate Banking historical low. We proactively review and manage our exposure to all clients. We have a proven record of supporting businesses through their difficulties and minimising credit losses.
- In contrast, low interest rates may cause margins to compress. We continue to strengthen our market position by expanding our cash management product offering.
- Cybercrime and technology disruptions remain a risk. Barclays actively works to increase the resilience and enhance the security of its banking systems by fully supporting UK government and other banks' initiatives to increase system availability and reduce industry risks.

- Corporates increasingly use debt markets and other alternative sources of finance and non-UK banks have increased competition. To strengthen our market position we continue to expand our financing product capabilities, as well as to deepen existing, and acquiring new, client relationships.

Balanced Scorecard



Customer and client

Corporate Banking is focused on becoming the 'Go-To' bank for business, corporate and institutional clients.

We work closely with clients to fully understand their business and continuously strive for better client service. As a result, no other bank achieved a higher rating from their Corporate Banking clients in the UK for overall satisfaction in 2013.^a

Note
^a Source: Charterhouse Research based on 2,200 interviews with companies turning over between £5m and £1bn carried out in YE Q4 2013. Survey data is weighted by turnover and region to be representative of the total market in Great Britain. Sum of top two box responses – Excellent and Very Good.

Contributing to strategy

Our journey to 'Go-To' Corporate Banking is focused on:

- Strengthening our core UK, European and African franchise
- Developing innovative products and services
- Driving cost efficiencies and running down Exit Quadrant assets in Europe
- Reinforcing our strong culture and improving our controls
- Enhancing synergies across the Barclays Group to further improve our innovative and comprehensive client offering
- Putting things right where we get it wrong

Bring diverse benefits...

- A stable banking partner for the long-term
- Secure place for deposits
- Competitive financing
- Enhanced client experience
- Tailored financial solutions
- Access to innovative banking products and services
- Reliable payments and transactions across multiple currencies

Contributing to income by

- Self-funding client lending with deposits
- Earning stable interest income from lending
- Generating fees for providing transactional services
- Earning share of the income from referrals to Barclaycard, Wealth and Investment Bank
- Minimising impairment through responsible lending and supporting clients back to financial health

Sustaining business by

Helping businesses achieve their commercial ambitions...

- Developing long-term relationships that benefit the clients and provide on-going income for Barclays
- Providing clients with day-to-day products and services to help them successfully operate their businesses

...in the right way

- Applying responsible lending practices
- Providing fit-for purpose risk management
- Assisting clients to come back to financial strength

We are committed to helping businesses succeed and achieve their ambitions, no matter how complex or challenging. Our clients benefit from in-depth sector expertise – over 45 sector teams, and tailored industry research.

Our products and services are regularly recognised through industry awards, e.g. in 2013:

- Best Trade Bank in the UK – Global Trade Review
- Best Domestic Cash Manager in the UK – Euromoney
- Best Trade Bank in Africa – Treasury Management International
- UK Education Lender of The Year – for the fourth year running

We are constantly looking for ways to make our client interactions as simple and instant as possible – whether that is reducing time to set-up new client accounts or providing our front-line teams with iPads to deliver more insight directly to clients.

We see technology as a key means of responding proactively to clients' changing needs. We continue to roll-out Barclays.net (our internet-based cash management service) and Pingit for Corporates, which now allows clients to complete a full spectrum of payment options via their smartphone.

Colleague

Corporate Banking continues to invest in our colleagues to ensure they are fully engaged, motivated and supported to provide excellent client service.

We continue to promote a globally diverse and inclusive environment where all colleagues can fulfil their potential.

Priorities include driving sustainable engagement, gender diversity and developing the potential of our workforce.

Citizenship

Every day Corporate Banking employees make a real difference; helping individuals, communities and businesses grow.

Primarily, we support businesses by lending money prudently. In 2013, we provided loans and advances of £61.1bn. Over 1,600 SME clients benefitted from the Cashback for Business scheme.^a We paid £24m in cashback and have committed a further £6m. We have also continued to support the Business Growth Fund^b – with a commitment of £500m in equity.

In addition, our colleagues contributed almost 30,000 hours volunteering in their local communities.

Conduct

We are focused on delivering the right outcomes for our clients.

Managing the conduct risks that arise in our business is fundamental to our success in becoming the 'Go-To' bank. This means proactively looking out for our client's best interests and acting with integrity at all times.

In advancing our Interest Rate Hedging Products redress, 32% of the in-scope population now have review outcomes. We are progressing well and are on track to meet our commitments to the FCA. We expect to have a substantial majority of all customers at the redress offer stage by mid-year.

In line with other Barclays divisions, we are in the process of formalising our Conduct Risk reporting and management framework. This framework will ensure that client interests are being taken into account appropriately in all our business decisions. It includes everything from our business model and strategy through to ensuring our products are designed and sold in the right way.

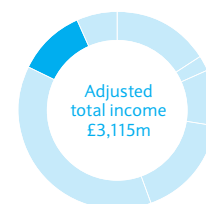
Notes

- a Cashback for Business offers 2% cashback to SMEs who take out a loan under the scheme.
b Business Growth Fund provides equity to businesses with a turnover of £5-100m

Company

Contribution to total income

£3,115m



| | 2013 | 2012 | 2011 |
|---------------------------------------|-------|-------|-------|
| Income (£m) | 3,115 | 3,046 | 3,315 |
| Profit/(loss) before tax (£m) | 151 | (390) | (5) |
| Adjusted ROE (%) | 3.1 | 2.9 | 0.4 |
| Loan loss rate (bps) | 77 | 127 | 153 |
| Loans and advances to customers (£bn) | 61.1 | 64.3 | 68.3 |
| Customer deposits (£bn) | 108.7 | 99.6 | 87.5 |

Corporate Banking continued to make good progress in pursuing its turnaround strategy, which increased momentum in 2013. Total income increased 2% to £3,115m reflecting an increase in UK income, partially offset by non-recurring income from a reduction from Exit Quadrant assets in Europe and previously exited businesses.

Credit impairment charges declined 42% to £510m largely driven by Europe, which saw charges reduce by £224m to £318m following ongoing action to reduce exposure to the property and construction sector in Spain. Charges were also lower against large corporate clients in the UK.

Costs to achieve Transform were incurred to further invest in the ongoing client business, as well as rationalise the offering within Europe and Rest of World. Adjusted operating expenses increased 6% to £1,806m including costs to achieve Transform of £114m.

Performance improved across all regions in 2013, with the UK franchise continuing to deliver strong results. Adjusted profit before tax improved 74% to £801m. UK adjusted profit before tax improved 14% to £948m.

Loans and advances to customers decreased 5% to £61.1bn driven by the rundown of Exit Quadrant portfolios in Europe and a reduction in client demand as working capital deposits increased in the UK.



More information on performance can be found online at barclays.com/annualreport



Future priorities

Become the 'Go-To' bank for domestic corporations in the UK and South Africa and multinational corporations and financial institutions globally by satisfying their financing and servicing needs.

- Maintain market-leading rating for client satisfaction in the UK
- Continue to provide responsible lending to support growth for viable businesses
- Continue to strengthen our cross-border product offerings in Cash Management and Trade Finance
- Continue to improve profitability, supported by helping clients to access banking solutions from the Investment Bank, Barclaycard and Wealth
- Drive cost efficiencies and actively managing our balance sheet
- Further strengthen our strong culture standards and controls to help clients achieve their commercial ambitions in the right way

Helping UK businesses with global growth ambitions



“We are currently a mattress manufacturer that makes spring components. With Barclays’ continuing support, we can evolve confidently to become a global components manufacturer that makes mattresses.”

Simon Spinks, Managing Director, Harrison Spinks

New Market Expansion

Harrison Spinks is a luxury bed and mattress manufacturer based in Leeds, with ambitious plans for growth. They wanted to take their spring technology to new products and markets. Barclays was their partner of choice to help them achieve their ambition.

With turnover increasing year-on-year, Harrison Spinks is thriving despite the challenging economy by innovating and seeking out new markets. They are expanding into North America by applying their innovative spring technology to new products such as baby mattresses, footwear and automotive seating.

Having supported them for eight years, Barclays is helping them to expand by meeting their corporate banking needs and foreign exchange requirements. Harrison Spinks is benefiting from our international scale and is tapping into our knowledge of the manufacturing industry.

As Simon Spinks, MD, says, “It’s good to have someone who knows your business and where you’re trying to go... Barclays actually allows you to move forward.”

‘We are raising industry standards through our investment philosophy encompassing client profiling, investment strategies and portfolio construction.’



Peter Horrell
Chief Executive Officer, Wealth and Investment Management

The Wealth and Investment Management business model

Our social purpose

Barclays Wealth and Investment Management helps people to meet their financial objectives, whether to protect, grow or pass on their wealth. We do this through the services and products we provide across banking, investments, lending and philanthropy.

Our clients are those

We provide services, advice and products to:

- Retail investors
- Affluent individuals
- High-net worth and ultra high-net worth individuals
- Family offices
- Intermediaries (that we work with on behalf of their clients)
- Charities
- Entrepreneurs
- Companies/Employers

For them we provide

A range of wealth and investment management services, including:

- Investment management and advice
- Investment trading services
- Wealth advisory services
- Banking
- Lending
- Corporate wealth advisory and consultancy services

Uniquely providing value through

Our value propositions...

- An understanding of our client's wealth situation and aspirations, using behavioural finance to better understand their unique financial personality and risk tolerance
- Continuous improvement of client service and experience
- An open architecture approach to discretionary and advisory portfolio management
- Investment in underlying technology and processes
- Leveraging Barclays' global scope and scale
- Global research and investment solutions

We are one of the world's leading wealth managers and we offer clients a gateway to the full range of Barclays' capabilities. Wealth and Investment Management continues to focus on and invest in delivering an excellent client experience, while helping clients protect, grow and pass on wealth.

Market and operating environment

We serve clients around the world: in the UK, where we are headquartered; in the US, which is the world's largest wealth market; in major hubs in Europe and in the fast growing markets of Asia, the Middle East and Africa.

We have a clear segmentation strategy across high net worth, affluent, retail and corporate clients which defines our services based on client need and value.

Risks to our business model

Major changes in the wealth management industry in recent years have been driven by regulation, changing demographics, new sources of wealth, and evolving client needs, particularly around digitalisation.

We are making good progress in implementing our strategy, which builds on our strengths, focuses on competing where we can win and simplifies how we operate.

Our investment in the business means that we meet or exceed regulatory standards in all the markets in which we operate. We have limited the number of markets we operate in specifically to reduce business risk and position ourselves to capture emerging wealth.

Balanced Scorecard



Customer and client

We are building centres of excellence within Barclays for investment management and managing offshore banking relationships, as well as an online investment proposition for self-directed clients, which will significantly enhance our capabilities in this space.

We are making great strides in digital innovation, as evidenced by our voice biometrics programme, launched in 2013, and the continuing success of the online marketing service (Little Book of Wonders) for our high net worth clients.

We will measure success in serving clients through our Net Promoter Score®.

Contributing to strategy

Barclays Wealth and Investment Management acts as a gateway, providing clients access to the broader services Barclays offers. We seek to become the 'Go-To' bank for high net worth clients and businesses in our key markets by focusing on sustainable, long-term growth. Investment in our business will enable us to build centres of excellence for investment management, for serving international corporates and for self-directed clients.

Bring diverse benefits...

- An excellent experience for clients
- Unique understanding of our clients' investment needs
- Our investment-led approach to wealth management brings solutions and services that are:
 - Broad and relevant
 - Based on a sound understanding of client need
- A gateway to the best of Barclays' advice and services, thereby providing access to banking, credit and leading investment expertise

Contributing to income by

- Fees and commission
 - for our advice
 - in providing a service (such as banking)
 - on execution/arrangements (such as broking or mortgages)
- Interest income (for example, lending)

Sustaining business by

- Seeking to ensure our business is viable over the long-term through a focus on robust governance and control
- Building on our strengths, replicating what we do well and continuously improving our offering to build deep client relationships
- Focusing on those markets and opportunities where we know we can compete strongly and provide best in class solutions
- Simplifying how we operate, meaning greater clarity and transparency for clients.

Colleague

We are committed to engaging our colleagues and creating a diverse and inclusive environment where they can fulfil their potential. Following the launch of the Barclays Values and Behaviours, 96% of Wealth and Investment Management employees had attended a Values Workshop by June 2013, and we are making great progress in embedding the Values and Behaviours into our business and decision-making. In September 2013, colleagues had the opportunity to reflect on and absorb the strategy for Wealth and Investment Management: 2,200 colleagues in 26 locations around the world attended town halls and strategy conversations. The Wealth and Investment Management Global Diversity & Inclusion Council was established in 2013 with the purpose of attracting and developing the most talented people from all backgrounds.

Citizenship

Wealth and Investment Management contributes to the Barclays 2015 Citizenship Plan by embedding a citizenship ethos into the way we do business, through our strategy, decision-making and investment management approach. We will also contribute to growth by supporting the development of social impact investing and managing charity investments and support our communities through community investment and client philanthropy.

Our colleagues contributed over 9,000 hours to support our communities around the world in 2013.

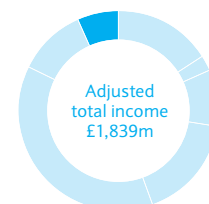
Conduct

Effectively managing Conduct Risk is essential in building a sustainable wealth management business. We are introducing a rigorous and transparent Conduct Risk reporting and management framework which ensures that the interests of clients and other stakeholders are appropriately considered in all business decisions. In 2013 we developed specific internal communications programmes to drive awareness of this important risk and help employees understand how their behaviours and decision-making can specifically contribute to or mitigate client harm. We are also embedding conduct risk discipline into our business through a series of Material Risk Assessments intended to prevent potential client issues before they occur.

Company

Contribution to total income

£1,839m



| | 2013 | 2012 | 2011 |
|--|-------|-------|-------|
| Income (£m) | 1,839 | 1,820 | 1,770 |
| Adjusted (loss)/profit before tax (£m) | (19) | 274 | 188 |
| Adjusted ROE (%) | (1.0) | 11.2 | 9.5 |
| Loan loss rate (bps) | 51 | 17 | 21 |
| Loans and advances to customers (£bn) | 23.1 | 21.3 | 18.8 |
| Customer deposits (£bn) | 63.4 | 53.8 | 46.5 |

Total income of £1,839m remained broadly in line with the prior year, as growth in deposit and lending balances, primarily in the High Net Worth business, offset a lower net interest margin reflecting a change in product mix and reduced contributions from structural hedges.

Credit impairment charges increased £83m to £121m, largely reflecting the impact of deterioration in recovery values from property held as security, primarily in Europe.

The business continued to implement its strategic programme to build on its strengths, focus on target markets and simplify how it operates. Adjusted operating expenses increased £241m to £1,750m largely reflecting costs to achieve Transform of £158m.

Business growth remained robust with strong growth in client assets, customer deposits and loans and advances to customers, which increased 8% to £23.1bn primarily driven by growth in the High Net Worth business.



More information on performance can be found online at barclays.com/annualreport

Future priorities

Wealth and Investment Management continues to be a key area of growth within Barclays. Examples of how we will achieve our strategy:

- Building on our strengths : a new direct to consumer offering for 'DIY' Buy and Hold investors – a growing and significant part of the investor market. We are on track to develop this direct to consumer offering, to be rolled out initially in the UK in 2015.
- Focus on competing where we can win: the strategic focus areas for our business continue to be the UK, US and global high-net worth hubs. In order to ensure that we are building a sustainable business and managing risks effectively, we are reducing the number of countries which we serve, taking into account the impact on clients, colleagues and local markets.
- Simplifying how we operate: we are making changes to the way we service our affluent clients in the UK with existing clients with assets of less than £500,000 managed by a new team called Private Clients.

Innovating security and simplicity with voice biometrics



Barclays Wealth and Investment Management is the first wealth manager to introduce a pioneering 'voice security' service which stores the unique biometric (with more characteristics than a fingerprint) of an individual's voice print to securely and quickly confirm a client's identity.

Last year, Barclays Wealth and Investment Management successfully rolled out a cutting-edge service enhancement which is used to identify customers by the sound of their voice, greatly improving the client experience.

When a customer calls Barclays Wealth and Investment Management to access their account and completes the traditional knowledge based identification process their voice print is captured and they are asked if they would like to enrol in the service.

The next time they call Barclays, the customer engages in a few seconds of natural conversation with a customer service agent. During that time, the voice biometrics technology is used to compare the customer's voice to their unique voiceprint on file, and silently signals to the Barclays representative when the customer's identity has been verified.

This approach has been welcomed by customers who have seen the time taken to verify their identity fall from 1.5 minutes to less than 10 seconds.

94% of clients scored at least nine out of 10 for the speed, ease of use and security of voice authentication.



'Key for the Board is ensuring that we have in place the right strategy, a robust and appropriate risk management and control framework and the right people to create long-term value for shareholders.'

The UK Corporate Governance Code makes clear the principle that the Board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance.

The right strategy

As a Board, we set direction and risk appetite and provide oversight and control of management in the day-to-day running of the business. As Chairman, I seek to ensure that adequate time is set aside at Board meetings for the open and collective discussion and debate of significant issues, most importantly, strategy. Once a well-informed decision is reached, we empower management to then execute that decision, with our ongoing oversight and support. This established process underpinned our endorsement of the Transform programme in early 2013 and the decision we made in July 2013 to undertake a rights issue.

The right risks and controls

It is essential that our risk culture supports our risk profile and that we have visible and dedicated risk management leadership, both in the Boardroom and in executive management. In 2013 we enhanced our internal control and risk management framework by creating a new Board-level committee charged with specific oversight of operational and conduct risks, reputational matters and our citizenship strategy. We also created a Board Enterprise Wide Risk Committee, whose role is to focus on a holistic view of our risk appetite and risk profile and to seek to identify potential future risk.

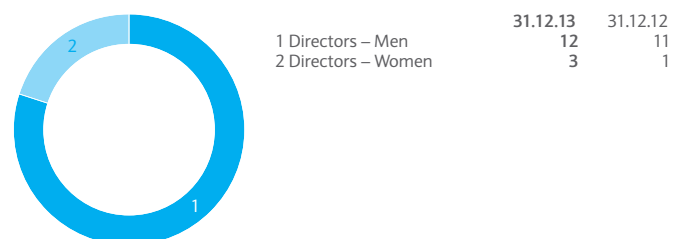
The right people

Talent development and succession planning are critical components of sustainable success and this starts at the very top, in the Boardroom. It is vital that we have on the Board the right balance and diversity of expertise, skills, experience, perspectives and, most crucially, independence of thought and action.

All Board appointments are made on merit, in the context of the diversity required for an effective Board, including diversity of skills, experience, background and gender. The aims set out in our Board Diversity Policy, published in April 2012, were to have 20% of the Board made up of women by the end of 2013, and for that position to have exceeded 25% by the end of 2015. There were three women on the Barclays Board at the end of 2013 (20%), compared to one woman at the end of 2012 (8%). Our Board Diversity Policy can be found on our website, Barclays.com

Sir David Walker
Chairman

Board Gender Balance



| | |
|---------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

Good governance is vital in supporting the delivery of our strategic priorities. More information on the role of the Board and its Committees can be found in 'Corporate Governance in Barclays' which is available online at Barclays.com

Our Board

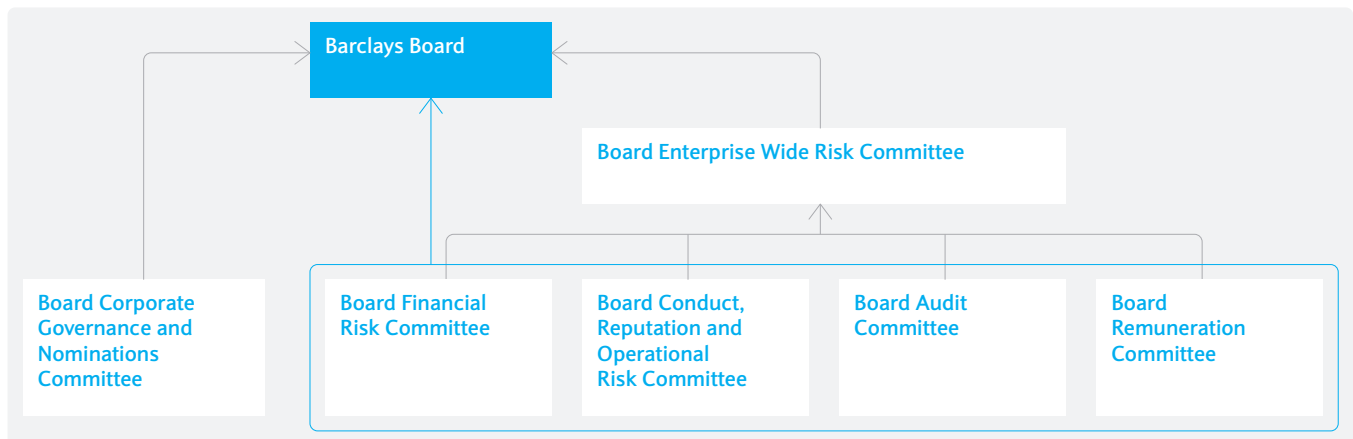
Sir David Walker (74) Group Chairman
 Antony Jenkins (52) Group Chief Executive; Executive Director
 Mike Ashley (59) Non-executive Director
 Tim Breedon (56) Non-executive Director
 Fulvio Conti (66) Non-executive Director
 Simon Fraser (54) Non-executive Director
 Reuben Jeffery (61) Non-executive Director
 Wendy Lucas-Bull (60) Non-executive Director
 Tushar Morzaria (45) Group Finance Director; Executive Director

Dambisa Moyo (45) Non-executive Director
 Frits van Paasschen (52) Non-executive Director
 Sir Michael Rake (66) Deputy Chairman and Senior Independent Director
 Diane de Saint Victor (59) Non-executive Director
 Sir John Sunderland (68) Non-executive Director
 Steve Thieke (68) Non-executive Director



Detailed biographies can be found online at barclays.com/annualreport

Board Governance Framework



Our Board Committees

| Board Committee | Role |
|---|---|
| Board Enterprise Wide Risk Committee | Chaired by Sir David Walker It takes an enterprise-wide view of risks and controls and brings together the overall risk appetite and risk profile of the business |
| Board Audit Committee | Chaired by Mike Ashley It takes a largely backward-looking view, focused on financial reporting and control issues, including overseeing any control issue remediation plans |
| Board Conduct, Reputation and Operational Risk Committee | Chaired by Sir David Walker It takes a largely forward-looking view of conduct risk, operational risk and reputation risk, including recommending the level of risk Barclays is prepared to take |
| Board Financial Risk Committee | Chaired by Tim Breedon It takes a largely forward-looking view of financial risk appetite and financial risk profile (credit, market, liquidity and funding risk) across Barclays |
| Board Remuneration Committee | Chaired by Sir John Sunderland It sets the overarching principles and parameters of remuneration policy across Barclays and approves remuneration arrangements for executive directors, senior executives and individual remuneration awards |
| Board Corporate Governance and Nominations Committee | Chaired by Sir David Walker It makes recommendations on Board and Board Committee composition and effectiveness, Board and executive succession plans, talent management strategy and corporate governance |

Governance in action

Our Board Committees continued to support the delivery of our strategic priorities during 2013:

- Board Audit Committee: estimating customer redress provisions, in particular PPI redress provisions, was an area of focus for the Board Audit Committee in 2013. The Committee played a key role in evaluating and challenging the assumptions underlying the provisions made.
- Board Conduct, Reputation and Operational Risk Committee: during 2013 the Board Conduct, Reputation and Operational Risk Committee spent time on developing Barclays' approach to Conduct Risk, establishing what it means for Barclays and how we will manage it in a way that ensures positive outcomes for our customers and clients.
- Board Financial Risk Committee: the possibility of a Eurozone crisis remained during 2013, as the weak growth outlook continued to raise concerns about sovereign creditworthiness in some countries. The Board Financial Risk Committee's focus was on continuing to reduce Barclays' exposure to redenomination risk.
- Board Corporate Governance and Nominations Committee: executive succession and talent management are a critical component of long-term success. 2013 saw the Board Corporate Governance and Nominations Committee increase its focus on talent management.



You can read more about Governance in Action in the Corporate governance report, which is available online at barclays.com/annualreport

The activity of the Board Remuneration Committee during 2013 is described in the Remuneration report online at barclays.com/annualreport



‘Our aim is to deliver a greater share of the income we generate to shareholders while remaining competitive on pay. Although profits for 2013 were down, the 38% reduction in incentives in the previous two years had begun to cause demonstrable damage to our business. The difficult decision to address this by increasing incentives in certain key areas is in the long term interest of shareholders. We remain fully committed to reducing the ratio of compensation to adjusted net operating income over time.’

Dear Shareholders

The Committee’s objective is to maximise long term value for shareholders by ensuring that we do not pay more than is necessary while remaining competitive.

Remuneration Committee work in 2013

Determining the 2013 incentive pool was an extremely difficult decision for the Committee. We were acutely aware of public sentiment and of the challenge of presenting shareholders with an increased pool in a year where profits have fallen. The Committee concluded that a 2013 incentive pool of £2,378m was warranted. This was up 10% on the final 2012 incentive pool but it remains 32% below pool levels in 2010 when we started to reposition Barclays’ remuneration. Before adjustment for risk and conduct events the incentive pool was down 18% on 2012.

Significant progress has been made since 2010 in addressing imbalances in remuneration. The Barclays’ incentive pool reduced by 38% between 2010 and 2012 (48% for the Investment Bank) and bonuses for Managing Directors in the Investment Bank are fully deferred. The dilemma faced by the Committee in 2013 was that these actions were not matched by our peers, most notably the major US banks who are among our primary competitors. As a result, our lack of pay competitiveness was beginning to cause demonstrable damage to our business, especially outside the UK. The global resignation rate for senior staff in 2013 was significantly above that in 2012. This was particularly marked in the Investment Bank with a near doubling of resignations of senior staff in the US. In making our 2013 decisions on incentives, the Committee sought to ensure the health of the franchise in the long term interest of shareholders.

As in 2012, consideration of risk and conduct events was an important aspect of the Committee’s work during 2013. We made total reductions of £290m to incentives for PPI, Interest Rate Hedging Products and other events. Of this, £176m of adjustments were made through reductions in LTIP awards that were granted in previous years and £114m of reductions were made to the 2013 incentive pool. This contrasts with risk and conduct adjustments to the incentive pool of £860m in 2012 for events including the investigation into the setting of inter-bank offered rates.

When determining the incentive pool we looked at it on a pre- and post-adjustment basis for risk and conduct events. The Committee concluded that an incentive pool for 2013 of £2,492m on a pre-adjustment basis was appropriate. This is 18% down on the equivalent pre-adjustment pool in 2012. After applying an adjustment for risk and conduct events of £114m, the final 2013 incentive pool is £2,378m, up 10% on 2012, reflecting the lower level of risk and conduct adjustment for 2013.

| | |
|------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The next two pages provide the 2013 single total figure of remuneration for each Director, which form part of the annual report on Directors' remuneration.

A significant part of the Committee's work in 2013 was reviewing how to restructure executive Director and senior executive remuneration for compliance with new EU regulation, the Capital Requirements Directive IV and, in particular, the capped ratio of variable to fixed pay. Our approach is based on a new class of fixed pay called Role Based Pay. We are seeking shareholder approval at the 2014 AGM for a maximum ratio of variable to fixed pay of 2:1. For executive Directors, the level of Role Based Pay will be capped for the term of the policy and will be delivered in shares which will be subject to a holding period of up to five years to ensure alignment with shareholders. The Committee has recognised that in return for greater certainty there should be a reduced total remuneration opportunity.

Focus in 2014

The Committee will continue to focus on the need to pay at levels required to attract, retain and motivate our people. While not paying more than we judge to be necessary, we will ensure that we can continue to pay our people competitively and simultaneously seek to deliver a greater share of the income we generate to shareholders. We will be informed in this work by a continuing constructive engagement and dialogue with our shareholders and our other stakeholders.

I encourage you to read our full Remuneration report in the 2013 Annual Report or at www.barclays.com/annualreport.

On behalf of the Board

Sir John Sunderland
Chairman, Board Remuneration Committee

3 March 2014

2013 compensation and incentive headlines

- Total compensation costs decreased 1% to £9,616m. Total compensation costs in the Investment Bank were slightly down at £4,634m (2012: £4,667m)
- This reduction in compensation costs in part offset the reduction in adjusted net operating income and meant that the Group compensation to adjusted net operating income ratio increased slightly to 38.3% (2012: 37.5%)
- There has been strong differentiation on the basis of individual performance to allow the Group to more effectively manage compensation costs
- While the final incentive pool is up on 2012, it is £1,106m or 32% below the 2010 outcome from when the Committee started its repositioning journey to reduce compensation. In the Investment Bank, incentive awards granted were 41% (£1,086m) below 2010 levels
- Before making adjustments for risk and conduct events, the 2013 incentive awards of £2,492m had been reduced 18% from 2012. After adjustments for risk and conduct, total incentive awards granted were £2,378m, up 10% on 2012
- Levels of deferral continue to significantly exceed the PRA Remuneration Code's minimum requirements and are expected to remain among the highest deferral levels globally. 2013 bonuses awarded to Managing Directors in the Investment Bank were 100% deferred.

Summary remuneration report > continued

Single total figure for 2013 remuneration

The following table shows a single total figure of remuneration in respect of qualifying service for each executive Director together with comparative figures for 2012.

Executive Directors: Single total figure for 2013 remuneration (audited)

| | Salary £000 | | Taxable benefits £000 | | Bonus £000 | | LTIP £000 | | Pension £000 | | Total £000 | |
|------------------------------|----------------|------|--------------------------|------|---------------|------|--------------|------|-----------------|------|---------------|-------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Antony Jenkins ^a | 1,100 | 373 | 138 | 19 | 0 | 0 | 0 | 0 | 364 | 137 | 1,602 | 529 |
| Tushar Morzaria ^b | 171 | – | 14 | – | 1,200 | – | 0 | – | 43 | – | 1,428 | – |
| Chris Lucas ^c | 501 | 800 | 47 | 34 | 500 | 0 | 985 | 643 | 125 | 200 | 2,158 | 1,677 |

Notes

a Antony Jenkins joined the Board with effect from 30 August 2012.

b Tushar Morzaria joined the Board with effect from 15 October 2013.

c Chris Lucas stepped down from the Board with effect from 16 August 2013 due to ill health.

Additional information in respect of each element of pay for the executive Directors (audited):

Base salary

Antony Jenkins has been paid a salary of £1,100,000 per annum as Group Chief Executive since his appointment to the role. Tushar Morzaria commenced employment on 15 October 2013 on a salary of £800,000 per annum. Chris Lucas was paid a salary of £800,000 per annum.

Taxable benefits

Taxable benefits include private medical cover, life and ill health income protection, tax advice, home leave related costs, car allowance and the use of a company vehicle and driver when required for business purposes. The figure in the above table for Tushar Morzaria includes £4,576 of non-taxable relocation expenses. Further relocation expenses will be incurred for Tushar Morzaria.

Pension

Executive directors are contractually entitled to cash in lieu of pension contributions which reflects market practice for senior executives in comparable roles.

Annual bonus

Bonuses are earned by reference to the financial year and awarded in the following February. The Committee considered the performance of each of the executive Directors during their respective periods of office during the year. Their performance was assessed against their objectives agreed at the start of the year and comprised both Group and personal, financial and non-financial measures. Information on the Group measures is set out in the table below.

The executive Directors share collective responsibility for progress, as at the year end, against the Transform commitments set out at the start of 2013 and in the Rights Issue prospectus.

| Objective | Targets / measures for 2013 | Progress in 2013 |
|---|---|---|
| Strategic progress: the Transform programme | <p>Performance is assessed against the Transform commitments of 2013</p> <p>Financial measures in the Transform commitments included return on equity, cost to income ratio, core capital ratio, dividend payouts and risk weighted assets.</p> <p>Non-financial measures include progress on cultural change, the development of the Balanced Scorecard and the reputation of and trust in Barclays.</p> | <p>Financial</p> <ul style="list-style-type: none"> Underlying performance has been resilient and momentum is building CRD IV Risk Weighted Assets within the £440bn target for 2015 Fully loaded Common Equity Tier 1 capital ratio at 9.3% is on track to meet the target of 10.5% during 2015 Cost reduction plans on target for expenses of £16.8bn in 2015 excluding costs to achieve Transform Adverse movement in cost to income ratio in 2013 mainly as a consequence of reduced income Work done in 2013 to target a 40% dividend payout ratio from 2014, achieving a payout ratio of 40-50% over time <p>Non-financial</p> <ul style="list-style-type: none"> Barclays Purpose, Values and Behaviours published and cascaded throughout organisation, now integrated into day to day management processes. Data shows that the culture is changing at Barclays. Balanced Scorecard published shortly after the year end. Data shows reputation of and trust in Barclays is improving. |
| 2013 Financial and risk measures | The executive Directors lead delivery of overall performance measured by reference to income, profitability, risk weighted assets and return on equity | <ul style="list-style-type: none"> Strength in the diversity of the Group's income, underpinned by our traditional consumer and commercial banking franchises, and growth in Equities and Investment Banking in the Investment Bank But income in the Investment Bank overall was down 9% driven by a decrease in FICC Adjusted profit before tax was down 32% year on year due to reduced income and costs to achieve Transform Successful execution of Rights Issue Strong financial fundamentals across funding and liquidity, capital, credit risk management and margins Adjusted return on average shareholders' equity decreased to 4.5% principally reflecting the decrease in profit before tax. |

The Committee and Board agreed that Antony Jenkins had performed strongly in his first full year as Chief Executive. However, on 3 February 2014 Antony Jenkins announced that he would decline any 2013 bonus offered to him by the Committee, citing the Rights Issue, restructuring costs and costs associated with legacy issues as his reasons.

60% of Tushar Morzaria's 2013 bonus of £1.2m will be deferred through a Share Value Plan award vesting over three years. 20% will be paid in cash and 20% in shares. All shares are subject to a six month holding period from the point of release. The bonus reflects both Tushar's performance at Barclays and his forfeited bonus opportunity when he left his previous employer to join Barclays.

The Committee decided to award Chris Lucas a 2013 bonus at a level of 40% of the maximum (the maximum being 250% of salary), pro-rating the resulting amount to reflect his service during 2013. The resulting award of £500,000 will be 100% deferred through a Share Value Plan award vesting over three years, each annual release of shares being subject to an additional six month holding period.

LTIP

The LTIP amount included in the 2013 single total figure of remuneration is the value of vesting amounts in 2013 in relation to the LTIP award granted in 2011. Chris Lucas was the only executive Director participant in this cycle. Accordingly, as Antony Jenkins and Tushar Morzaria were not participants in this cycle, the LTIP figure in the single figure table is shown as zero for both of them. Vesting was dependent on the performance period ending in 2013. The performance achieved against the performance targets is shown below.

| Performance measure | Weighting | Threshold | Maximum 100% vesting | Actual | % of maximum achieved |
|--|-----------|--|--|--------|-----------------------|
| Return on Risk Weighted Assets ('RoRWA') | 60% | 23% of award vests for average annual RoRWA of 1% | Average annual RoRWA of 1.5% | 0.4% | 0% |
| Loan loss rate | 30% | 10% of award vests for average annual loan loss rate of 95 bps | Average annual loan loss rate of 81 bps or below | 71 bps | 30% |
| Sustainability metrics | 10% | Performance against the sustainability metrics is assessed by the Committee to determine the % of the award that may vest between 0% and 10% | | 0% | 0% |

The award was also subject to a discretionary underpin by which the Committee must be satisfied with the underlying financial health of the Group. The Committee was satisfied that this underpin was met, and accordingly determined that the award should vest to the extent of 30% of the maximum number of shares under the total award. The shares are scheduled to be released in March 2014.

Chairman and non-executive Directors

Remuneration for non-executive Directors reflects their responsibility and time commitment and the level of fees paid to non-executive directors of comparable major UK companies.

Chairman and non-executive Directors: Single total figure for 2013 fees (audited)

| | Fees | | Benefits | | Total | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2013 £000 | 2012 £000 | 2013 £000 | 2012 £000 | 2013 £000 | 2012 £000 |
| Chairman | | | | | | |
| Sir David Walker ^a | 750 | 167 | 17 | 6 | 767 | 173 |
| Non-executive Directors | | | | | | |
| Michael Ashley ^b | 39 | – | – | – | 39 | – |
| David Booth ^c | 185 | 170 | – | – | 185 | 170 |
| Tim Breedon ^d | 183 | 18 | – | – | 183 | 18 |
| Fulvio Conti | 110 | 110 | – | – | 110 | 110 |
| Simon Fraser | 140 | 140 | – | – | 140 | 140 |
| Reuben Jeffery III | 124 | 105 | – | – | 124 | 105 |
| Sir Andrew Likierman ^e | 45 | 135 | – | – | 45 | 135 |
| Wendy Lucas-Bull ^f | 25 | – | – | – | 25 | – |
| Dambisa Moyo | 129 | 120 | – | – | 129 | 120 |
| Frits van Paasschen ^g | 33 | – | – | – | 33 | – |
| Sir Michael Rake | 220 | 220 | – | – | 220 | 220 |
| Diane de Saint Victor ^h | 90 | – | – | – | 90 | – |
| Sir John Sunderland | 189 | 161 | – | – | 189 | 161 |
| Alison Carnwath ⁱ | – | 114 | – | – | – | 114 |
| Marcus Agius ^j | – | 750 | – | 1 | – | 751 |
| Total | 2,262 | 2,210 | 17 | 7 | 2,279 | 2,217 |

Notes

a Sir David Walker joined the Board as a non-executive Director with effect from 1 September 2012 and as Chairman from 1 November 2012.

b Michael Ashley joined the Board as a non-executive Director with effect from 18 September 2013.

c David Booth retired from the Board as a non-executive Director with effect from 31 December 2013.

d Tim Breedon joined the Board as a non-executive Director with effect from 1 November 2012.

e Sir Andrew Likierman retired from the Board as a non-executive Director with effect from 25 April 2013.

f Wendy Lucas-Bull joined the Board as a non-executive Director with effect from 19 September 2013.

g Frits van Paasschen joined the Board as a non-executive Director with effect from 1 August 2013.

h Diane de Saint Victor joined the Board as a non-executive Director with effect from 1 March 2013.

i Alison Carnwath resigned from the Board as a non-executive Director with effect from 24 July 2012.

j Marcus Agius stepped down as Chairman and as a non-executive Director on 2 July 2012.

Summary financial statements >

Condensed income statement

| For the year ended 31 December | 2013 £m | 2012 ^a £m |
|--|-----------------|-------------------------|
| Continuing operations | | |
| Net interest income | 11,600 | 11,654 |
| Net fee and commission income | 8,731 | 8,536 |
| Net trading income | 6,553 | 3,347 |
| Net investment income | 680 | 844 |
| Net premiums from insurance contracts | 732 | 896 |
| Other income | 148 | 332 |
| Total income | 28,444 | 25,609 |
| Net claims and benefits incurred on insurance contracts | (509) | (600) |
| Total income net of insurance claims | 27,935 | 25,009 |
| Credit impairment charges and other provisions | (3,071) | (3,340) |
| Net operating income | 24,864 | 21,669 |
| Staff costs | (12,155) | (11,467) |
| Administration and general expenses | (6,611) | (5,991) |
| Depreciation of property, plant and equipment | (647) | (669) |
| Amortisation of intangible assets | (480) | (435) |
| Goodwill impairment | (79) | – |
| Provision for PPI redress | (1,350) | (1,600) |
| Provision for interest rate hedging products redress | (650) | (850) |
| Operating expenses | (21,972) | (21,012) |
| Share of post-tax results of associates and joint ventures | (56) | 110 |
| Profit/(loss) on disposal of subsidiaries, associates and joint ventures | 6 | 28 |
| Gain on acquisitions | 26 | 2 |
| Profit before tax | 2,868 | 797 |
| Taxation | (1,571) | (616) |
| Profit after tax | 1,297 | 181 |
| Attributable to: | | |
| Equity holders of the parent | 540 | (624) |
| Non-controlling interests | 757 | 805 |
| Profit after tax | 1,297 | 181 |
| | p | p |
| Earnings per share | | |
| Basic earnings/(loss) per share | 3.8 | (4.8) |
| Diluted earnings/(loss) per share | 3.7 | (4.8) |

Independent auditors' statement to the members of Barclays PLC

Independent auditors' statement to the members of Barclays PLC

We have examined the supplementary financial information included within the Strategic Report for the year ended 31 December 2013, which comprises the condensed consolidated balance sheet as at 31 December 2013 and the condensed consolidated income statement for the year ended 31 December 2013.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the Strategic Report, in accordance with the Companies Act 2006, which includes information extracted from the full annual financial statements and the auditable part of the Directors' Remuneration report of Barclays PLC for the year ended 31 December 2013.

Our responsibility is to report to you our opinion on the consistency of the summary financial information, included within the Strategic Report, with those full annual financial statements and the auditable part of the Directors' Remuneration report.

This statement, including the opinion, has been prepared for and only for the company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for

any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

Our examination involved agreeing the balances disclosed in the summary financial information to full annual financial statements. Our audit report on the company's full annual financial statements and the auditable part of the Directors' Remuneration report describes the basis of our opinion on those financial statements and the auditable part of that report.

Opinion

In our opinion the supplementary financial information is consistent with the full annual financial statements and the auditable part of the Directors' Remuneration report of Barclays PLC for the year ended 31 December 2013.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
3 March 2014

Note

a The comparatives in the financial statements and notes to the financial statements have been restated to reflect the implementation of IFRS 10 Consolidated Financial Statements and IAS 19 Employee Benefits (Revised 2011).

Summary financial statements >

Condensed balance sheet

| | |
|-------------------------------------|-----------|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
| Strategic risk overview | 14 |
| Performance review by division | 18 |
| Chairman's governance overview | 46 |
| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

The summary consolidated income statement and the summary consolidated balance sheet were approved by the Board of Directors on 3 March 2014 and signed on its behalf by the Chairman.

| As at | 31 December 2013 £m | 31 December 2012 ^a £m |
|---|---------------------------|--|
| Assets | | |
| Cash and balances at central banks | 45,687 | 86,191 |
| Items in the course of collection from other banks | 1,282 | 1,473 |
| Trading portfolio assets | 133,069 | 146,352 |
| Financial assets designated at fair value | 38,968 | 46,629 |
| Derivative financial instruments | 324,335 | 469,156 |
| Available for sale investments | 91,756 | 75,109 |
| Loans and advances to banks | 37,853 | 40,462 |
| Loans and advances to customers | 430,411 | 423,906 |
| Reverse repurchase agreements and other similar secured lending | 186,779 | 176,522 |
| Prepayments, accrued income and other assets | 4,414 | 4,365 |
| Investments in associates and joint ventures | 653 | 633 |
| Property, plant and equipment | 4,216 | 5,754 |
| Goodwill and intangible assets | 7,685 | 7,915 |
| Current tax assets | 219 | 252 |
| Deferred tax assets | 4,807 | 3,563 |
| Retirement benefit assets | 133 | 53 |
| Total assets | 1,312,267 | 1,488,335 |
| Liabilities | | |
| Deposits from banks | 54,834 | 77,012 |
| Items in the course of collection due to other banks | 1,359 | 1,587 |
| Customer accounts | 427,902 | 385,411 |
| Repurchase agreements and other similar secured borrowing | 196,748 | 217,178 |
| Trading portfolio liabilities | 53,464 | 44,794 |
| Financial liabilities designated at fair value | 64,796 | 78,561 |
| Derivative financial instruments | 320,634 | 462,721 |
| Debt securities in issue | 86,693 | 119,525 |
| Subordinated liabilities | 21,695 | 24,018 |
| Accruals, deferred income and other liabilities | 12,934 | 12,532 |
| Provisions | 3,886 | 2,766 |
| Current tax liabilities | 1,042 | 621 |
| Deferred tax liabilities | 373 | 341 |
| Retirement benefit liabilities | 1,958 | 1,282 |
| Total liabilities | 1,248,318 | 1,428,349 |
| Total equity | | |
| Called up share capital and share premium | 19,887 | 12,477 |
| Other equity instruments | 2,063 | – |
| Other reserves | 249 | 3,674 |
| Retained earnings | 33,186 | 34,464 |
| Total equity excluding non-controlling interests | 55,385 | 50,615 |
| Non-controlling interests | 8,564 | 9,371 |
| Total equity | 63,949 | 59,986 |
| Total liabilities and equity | 1,312,267 | 1,488,335 |

Note

a The comparatives in the financial statements and notes to the financial statements have been restated to reflect the implementation of IFRS 10 Consolidated Financial Statements and IAS 19 Employee Benefits (Revised 2011).

Key dates*

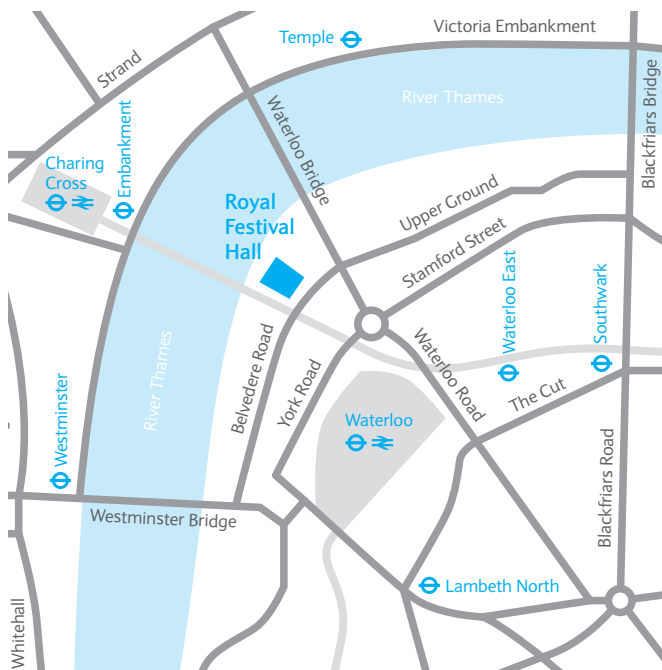
| | |
|--------------|---|
| 28 March | 2013 Final dividend payment date |
| 24 April | 2014 Annual General Meeting |
| 13 June | 2014 First interim dividend payment date |
| 19 September | 2014 Second interim dividend payment date |
| 5 December | 2014 Third interim dividend payment date |

*Please note that these dates are provisional and subject to change.

Annual General Meeting (AGM)

This year's AGM will be held at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX on Thursday, 24 April 2014 at 11.00am.

The Chairman and Chief Executive will update shareholders on our performance in 2013 and our goals for 2014. Shareholders will also have the opportunity to ask the Board questions at the meeting.



You can find out more at barclays.com/agm

Dividends

We remain committed to a 40% to 50% payout ratio over time, however, we expect to be at 40% from 2014 to allow focus on capital accretion. We would not expect it to rise further in to the 40% to 50% payout range until the 10.5% Core Equity Tier 1 milestone has been reached.

How do Barclays shareholders receive their dividends?

As at 31 December 2013, Barclays shareholders received their dividends in the following ways:

| | | |
|--------------|-----|--|
| Bank mandate | 50% | |
| Cheque | 29% | |
| Scrip | 21% | |

You can choose how you would like to receive your Barclays dividends – save time and receive your dividends faster

You can have your dividends paid directly into your bank or building society account. It is easy to set up and your money will be in your bank account on the dividend payment date. If you hold 2,500 shares or less, you can provide your bank or building society details quickly and easily over the telephone using the contact details overleaf. If you hold more than 2,500 shares, please write to The Registrar.

Scrip Dividend Programme (the Programme)

Shareholders can choose to have their dividends reinvested in new ordinary Barclays shares through the Programme. More information including the Programme Terms and Conditions and application form are available on our website (details below).

Unclaimed dividends

We are aware that some shareholders do not keep their personal details on the share register up to date. Therefore, during 2013, we conducted a tracing process to re-unite over 24,000 Barclays Sharestore members, who lost contact with us, with their unclaimed dividends. We have returned over £2m of unclaimed dividends to our shareholders.

To find out more contact The Registrar to Barclays or visit barclays.com/dividends

| | |
|------------------------------------|----|
| Group overview | 02 |
| Chief Executive's strategic review | 04 |
| Strategy and operating environment | 06 |
| Business model/Value creation | 08 |
| Balanced Scorecard | 10 |
| Group Finance Director's review | 12 |
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| Summary remuneration report | 48 |
| Summary financial statements | 52 |
| Shareholder information | 54 |

Resources for shareholders including the Company articles of association, classes of shares and contact details for shareholder enquiries.

Charity donations – Thank you for your support

We would like to take this opportunity to thank our shareholders for helping us to make two fantastic donations to charity.

Firstly, thank you to all of our Barclays Dividend Re-investment Plan (DRIP) participants (which was withdrawn in June 2013) who chose to donate their DRIP cash residue to our chosen charity, ABF The Soldier's Charity.

As at the end of January 2014, we had raised over

£40,000


Secondly, following the close of the Rights Issue in October 2013, shareholders who let some or all of their Rights lapse received a cheque for their share of the net premium provided that it was £3.00 or more. Any amounts due to shareholders that were less than £3.00 were donated to UNICEF.

We are delighted to tell you that Barclays shareholders have donated over

£89,000 to UNICEF

ShareGift your shares

Shareholders with small holdings of shares, whose value makes them uneconomic to sell, may wish to donate them to ShareGift, the share donation charity (registered charity number 1052686).

 Further information about ShareGift and the charities it has supported may be obtained from their website, www.ShareGift.org

Action for shareholders

Keep your personal details up to date


Please remember to tell The Registrar if:

- You move house
- You need to update your bank or building society details.

If you are a Barclays e-view member, you can update your bank or building society account or address details online. If you hold 2,500 shares or less, you can update details quickly and easily over the telephone using the contact details overleaf. If you hold more than 2,500 shares you will need to write to The Registrar. You must provide a copy of your share certificate, Sharestore statement or most recent dividend tax voucher. If these are not available, you will need to provide a copy of a utility bill or bank statement dated in the last three months.


Duplicate documents

If you receive duplicate documents and split dividends on your Barclays shares, this may be because you have more than one account on the Barclays share register.

 If you think that this affects you and you would like to combine your shareholdings, please contact The Registrar to Barclays (details overleaf).

Shareholder Security

Shareholders should be wary of any unsolicited investment advice and offers to buy shares at a discounted price. These fraudsters use persuasive and high-pressure tactics to lure shareholders into scams. Please keep in mind that firms authorised by the Financial Conduct Authority (FCA) are unlikely to contact you out of the blue with an offer to buy or sell shares. You should think about getting independent financial or professional advice before you hand over any money.

 **Report a scam** If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams. You can also call the FCA Helpline on 0800 111 6768.

Shareholder enquiries >

Useful contact details

Barclays e-view



You do not have to receive paper shareholder information. Many Barclays shareholders go online to manage their shareholding and find out about Barclays' performance. Barclays e-view members receive the latest updates from Barclays directly by email.

To join Barclays e-view, please follow these 3 easy steps:

- Step 1** Go to www.eviewsignup.co.uk
- Step 2** Register for electronic communications by following the instructions on screen
- Step 3** You will be sent an activation code in the post the next working day

Alternative formats


Shareholder documents can be provided in large print, audio CD or Braille free of charge by calling the Barclays Shareholder Helpline.

0871 384 2055* (in the UK)
+44 121 415 7004** (from overseas)

Audio versions of the Annual Review will also be available at the AGM.

The Registrar to Barclays

If you have any questions about your Barclays shares, please contact The Registrar to Barclays:


 questions@share-registers.co.uk
0871 384 2055* (in the UK)
+44 121 415 7004** (from overseas)

ABC Textphone
0871 384 2255* (in the UK)
+44 121 415 7028** (from overseas)

The Registrar to Barclays
Aspect House, Spencer Road,
Lancing, West Sussex BN99 6DA


Shareholder Relations

To give us your feedback or if you have any questions, please contact:

 privateshareholderrelations@barclays.com
Shareholder Relations, Barclays PLC,
1 Churchill Place, London E14 5HP

Share price

Information on the Barclays share price and other share price tools are available at:


 barclays.com/investorrelations

Barclays Stockbrokers

If you hold your shares in Barclays Sharestore, you are only able to deal through Barclays Stockbrokers:


 www.sharestore.barclays.co.uk
0845 777 7400** (in the UK)
+44 141 352 3904** (from overseas)

If you have any general enquiries, please contact:

 0800 279 6551† (in the UK)
+44 141 352 3909** (from overseas)

Copies of the 2013 Annual Report and Accounts

Copies of the 2013 Strategic Report and the 2013 Annual Report and Accounts may be obtained free of charge by telephoning The Registrar or downloaded from the website:

 barclays.com/annualreport
0871 384 2055* (in the UK)
+44 121 415 7004** (from overseas)

Notes

* Calls cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm Monday to Friday, excluding public holidays.

**Call costs may vary please check with your telecoms provider. Calls may be recorded to monitor the quality of our service, to check instructions and for security purposes. Lines open 8.30am to 5.30pm Monday to Friday.

† Calls to 0800 numbers are free if made from a UK landline. Calls may be recorded so that we can monitor the quality of our service and for security purposes. Our opening hours are 7.30am to 7pm Monday to Thursday, 7.30am to 6pm on Friday (excluding bank holidays) and 9.30am to 12.30pm on Saturday.

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