Creating opportunities to rise

Barclays PLC

Country Snapshot
2018

About this report

Welcome to the 2018 Barclays Country Snapshot. Transparency remains high on our agenda and tax continues to be an important issue for our stakeholders.

We have published this annual report for the sixth year running and it contains an overview of our tax contribution country by country as well as our broader approach to tax including our UK tax strategy.

Contents

For further information and a fuller understanding of the results and the state of affairs of the Group, please refer to the full Barclays PLC Annual Report 2018 suite of documents available at home.barclays.com/annualreport

Barclays PLC Strategic Report 2018
An overview of our 2018 performance, a focus on our strategic direction, and a review of the businesses underpinning our strategy.

Barclays PLC Annual Report 2018
A detailed review of Barclays 2018 performance with disclosures that provide useful insight and go beyond reporting requirements.

Barclays PLC Country Snapshot 2018
An overview of our tax contribution country by country as well as our broader approach to tax, including our UK tax strategy.

Barclays PLC Environmental Social Governance (ESG) Report 2018
Our ESG strategic priorities and performance, reported against a range of quantitative and qualitative indicators.

Barclays PLC Pillar 3 Disclosures 2018
A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.

When you see this icon you will find more information on another page or Barclays report

When you see this icon you will find more information online

2018 highlights

Barclays continues to make substantial tax payments across the jurisdictions in which we operate. In 2018, we were the third largest UK taxpayer and we have consistently been one of the top three largest UK taxpayers in the last five years.

Barclays continues to make substantial tax payments across the jurisdictions in which we operate, both in terms of the taxes we pay, which represent a cost to us (hereafter referred to as taxes paid) and taxes collected, which are those we administer on behalf of governments and collect from others as we do business.

In 2018, PwC conducted their most recent survey of the 100 Group which represents most of the UK's largest groups. This survey showed that Barclays is one of the top three largest UK taxpayers, in terms of taxes paid, for the fifth year running.

Our key 2018 figures are shown opposite.

UK

Rank by UK tax paid
No.3

We continue to believe that it is important for our shareholders, customers, regulators, tax authorities and other stakeholders to understand our approach to tax and our tax contribution in the countries in which we operate.

Global

Total taxes paid by Barclays
£2,175m

Total taxes collected by Barclays
£2,581m

Total tax contribution
£4,756m

Profit before tax
£3,494m

Number of countries that Barclays operates in
46

Total employees globally
82,361

Our efforts to increase our transparency

We continue to believe that it is important for our shareholders, customers, regulators, tax authorities and other stakeholders to understand our approach to tax and our tax contribution in the countries in which we operate.

We were one of three companies shortlisted for the 2017 PwC Building Public Trust Award: Excellence in Reporting in Tax in the FTSE 350. The award recognises those companies that present their tax affairs in a clear and innovative way and that respond to both stakeholder interest and to the continually changing tax transparency landscape. We have further enhanced our 2018 Barclays Country Snapshot which demonstrates our continuing commitment to tax transparency and reflects our leading position in this area.

We were one of three companies shortlisted for the 2017 PwC Building Public Trust Award: Excellence in Reporting in Tax in the FTSE 350.

We have further enhanced our 2018 Barclays Country Snapshot.

About Barclays

Our strategy to build on our strength as a transatlantic consumer, corporate and investment bank anchored in our two home markets of the UK and US, with global reach, continues to deliver. In 2018, we are proud to have launched the first UK ring-fenced bank, Barclays Bank UK PLC – the largest launch of a new bank in UK financial services history, achieved whilst minimising the impact on our customers and clients.

Our role in the economy

At Barclays, we are proud of our substantial tax contribution and we are also a major investor, employer and purchaser of goods and services. In addition, we support individuals and corporations in making payments and managing their finances.

Our business units

Our business is constantly evolving in response to changes in the environment in which we operate.

Our strategy is to build on our strength as a transatlantic consumer, corporate and investment bank anchored in our two home markets of the UK and US, with global reach. We offer products and services across personal, corporate and investment banking, credit cards and wealth management. Our customers and clients include individuals, small and large businesses, local authorities, corporations, institutions and governments. Our two business divisions are shown below:

Barclays UK
Focused UK consumer and business bank with scale comprising:

- Personal Banking
- Barclaycard Consumer UK
- Business Banking

Barclays International
Diversified transatlantic wholesale and consumer bank comprising:

- Corporate and Investment Banking
- Consumer, Cards and Payments

At Barclays, we are proud of our substantial tax contribution and we are also a major investor, employer and purchaser of goods and services.

Responding to change in the regulatory and commercial environment

Completion of our restructuring in 2017

In June 2017, we completed the sell down of our shareholding in Barclays Africa Group Limited (BAGL) and we now own a residual 14.9% shareholding in BAGL. In July 2017, we also closed our Non-Core unit, six months ahead of plan.

Response to key regulatory changes

At Barclays, we are fully committed to the reforms designed to improve the safety and integrity of the UK's financial system. Structural Reform, sometimes referred to from a UK perspective as 'ring-fencing', aims to create a safer and more resilient banking system within which institutions can be more easily resolved without access to government funds.

- In the US, we were required to implement an Intermediate Holding Company group within which all our US subsidiaries operate. Barclays US LLC, our Intermediate Holding Company is part of the Barclays International business unit and was established in July 2016.
- In 2017, as part of our preparation for ring-fencing in the UK, our group service company, Barclays Services Limited was set up to centralise our infrastructure services in areas such as Finance and IT. Barclays Services Limited now acts as the primary supplier of critical services across Barclays as a whole. It also ensures that both of our banking divisions can operate independently and without relying on each other, while still sharing services, and is helping us improve processes and lower costs.
- In April 2018, we successfully established Barclays Bank UK PLC, the UK's first ring-fenced bank, nine months ahead of the regulatory deadline of 1 January 2019. In the UK, ring-fencing requires banking products and services like savings accounts, current accounts and payments to be separated from more complex products like derivatives, and from activities that are conducted in locations and markets outside the UK and European Economic Area.
- In response to the outcome of the UK's European Union (EU) membership referendum held in 2016, we are preparing for the UK to leave the EU in March 2019. We are committed to continuing to serve our customers in the EU and preserve market access for those customers. We have operated in Ireland for almost 40 years, principally through our Irish subsidiary, Barclays Bank Ireland PLC (BBI). Our preparations for Brexit centre on expanding the activities of BBI, which will carry out activities across Europe, and will include European offices that previously operated as branches of Barclays Bank PLC.

Implementing our commercial strategy

During 2018, we focused on building the Barclays of the future, operating principally through Barclays Bank UK PLC and Barclays Bank PLC and its subsidiaries. Both operate alongside, but independently from one another as part of the Barclays Group under the listed parent entity, Barclays PLC. We are fully committed to our model as a diversified bank and will remain a well-diversified financial institution providing best-in-class products and services to our customers and clients, underpinned by world class operations.

We will remain a well-diversified financial institution providing best-in-class products and services to our customers and clients.

Barclays' contribution

Our wider contribution

Barclays contributes in many ways to the jurisdictions in which we operate. This report concentrates on our tax contribution which is just one element of our overall contribution. We look at some of the other ways in which we contribute here as well as a summary of our contribution to taxes globally.

Economic activity

Barclays directly generates economic activity by delivering financial services to customers through the operation of its offices and branch network. Barclays supports businesses, including Small and Medium-sized Enterprises (SMEs) and larger corporates. In 2018, Barclays UK provided new lending of £2.8bn to SMEs, 3% more than last year and completed over 110,000 mortgages for customers, worth over £23bn, up 1.5% year-on-year.

More information on our economic activity can be found in our 2018 Annual Report.

Employment

Barclays generates and supports employment across all of the jurisdictions in which it operates. Globally, Barclays employed an average of 82,361 full-time employees during 2018. We have supported over 6,000 servicemen and servicewomen with their transition to civilian employment through the Barclays Armed Forces Transition, Employment and Resettlement (AFTER) programme, since its inception in 2010. In addition, Barclays generates employment opportunities indirectly through its purchases of goods and services from suppliers.

More information can be found on our website – home.barclays/citizenship/access-to-employment/

Citizenship

Having a positive impact on the communities in which we operate is very important to us. Barclays is committed to helping people gain access to skills, connecting job seekers and employers, and supporting entrepreneurs to drive job creation.

In 2018, we upskilled and supported over 2.4m people through a range of regional employability partnerships, including our flagship LifeSkills programme and Connect with Work programme in the UK.

More information can be found in our 2018 Environmental Social Governance Report.

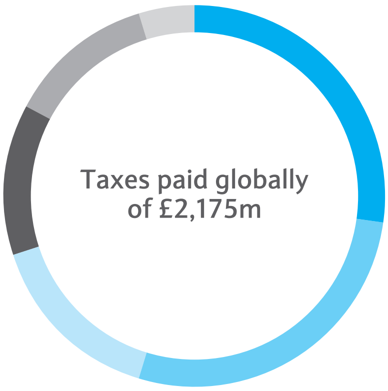
Our global tax contribution

This section of the report looks at both taxes paid and taxes collected.

Taxes paid

Taxes paid are those that represent a cost to us. This amount includes:

- Corporation tax, including UK banking profits surcharge
- Employer payroll taxes
- Irrecoverable VAT
- UK bank levy
- Withholding taxes

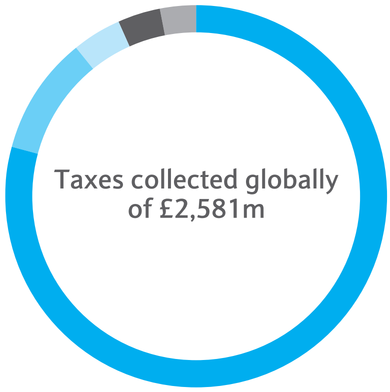


	£m
Employer payroll taxes	596
Irrecoverable VAT	596
UK bank levy	334
Withholding taxes	279
Corporation tax	269
Other taxes	101

Taxes collected

Taxes collected are those that we administer on behalf of governments and collect from others as we do business. This amount includes:

- Taxes collected on employee salaries
- Net VAT collected (VAT charged on sales less recoverable VAT on purchases)
- Tax on share dealing
- Tax deducted at source on interest paid



	£m
Employee taxes	2,050
Tax on share dealing	252
Net VAT collected	111
Tax deducted at source on interest	93
Other taxes	75

Total taxes

Our total tax contribution in 2018 was £4,756m which includes both taxes paid and taxes collected on behalf of governments.

Total tax contribution £4,756m

Taxes paid £2,175m | Taxes collected £2,581m

The remainder of this report focuses only on taxes paid

The taxes we pay as we do business

The diagram below shows how the taxes we pay arise as we do business.

- When our business generates profits, we pay corporation tax. Withholding taxes are also paid on dividends and certain other income we receive.
- As a large employer, our staff costs include social security, such as national insurance contributions that we pay as an employer to HMRC, in respect of the salaries we pay our employees.
- Unlike most other businesses, banks can only claim back a small proportion of the VAT that they incur, making this a significant cost to our business when we buy goods and services from our suppliers.
- Bank levy is paid to the UK government based on our total global balance sheet.
- We also pay other taxes such as property taxes on our network of high street branches.

Taxes collected have been excluded from the amounts presented here.

Taxes paid by Barclays in 2018

Our shareholders and investors: We pay tax on the profits we earn

Corporation taxes on Barclays' profits and withholding taxes – £548m

Our employees: We pay social security as a result of being an employer

Payroll taxes paid by Barclays – £596m

Our suppliers: We pay VAT that we cannot recover on the goods and services we buy in the course of our business

Irrecoverable VAT paid by Barclays – £596m

Our customers and markets: We pay taxes levied on the size of our balance sheet

UK bank levy on Barclays' balance sheet – £334m

BARCLAYS

Other business taxes – £101m

Total taxes paid by Barclays – £2,175m

Tax authorities

Our approach to tax

Our purpose and values

Our common purpose is 'Creating opportunities to rise'. We are a company of opportunity makers working together to help people rise – customers, clients, colleagues and society.

The Barclays Code of Conduct, called The Barclays Way, outlines the values and behaviours which govern our way of working across our business globally. It constitutes a reference point covering all aspects of colleagues' working relationships, specifically (but not exclusively) with customers and clients, governments and regulators, business partners, suppliers, competitors, other Barclays employees and the broader community.

Our key objectives

Our approach to tax is rooted in our overall purpose and values and has three core objectives:

- responsible approach to tax
- effective interaction with tax authorities
- transparency in relation to our tax affairs.

Our approach to tax is built around ensuring we meet these objectives.

We expand on the key elements of our approach on the following pages.

Barclays' approach to tax

The key elements of Barclays' approach:	The objectives that Barclays seeks to achieve:
Our tax principles Our tax principles allow us to balance the needs of our stakeholders including shareholders, customers, tax authorities and regulators when making decisions **Our tax code of conduct and "no surprises" approach** We operate and interact with tax authorities in the right way and in a way that they would expect	**Responsible approach to tax** Ensuring we manage our tax affairs in accordance with our tax principles and tax code of conduct, our returns are filed on time and the correct amount of tax is paid Barclays is committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority
Our governance and risk management Ultimate responsibility for tax risk resides with the board and our governance ensures that suitably qualified people are involved in decisions related to tax	**Effective interaction with tax authorities** Having a constructive and professional relationship with tax authorities is key to how we manage our tax affairs We actively support and work with tax authorities to combat tax evasion
Our engagement We seek to clearly explain our tax position within our reports, filings and publications **Our view on tax evasion** Tax evasion is a criminal activity which involves deliberately concealing income or assets from tax authorities Tax evasion is wrong and we actively invest in and support initiatives to combat tax evasion	**Transparency in relation to our tax affairs** Striving to be a leader in tax transparency by choosing to expand external publications such as the Country Snapshot and making clear disclosures to tax authorities

Our approach to tax

Our tax principles

We have set out and published clear tax principles that govern our approach to tax planning. Our tax planning must:

- support genuine commercial activity
- comply with generally accepted custom and practice, in addition to the law and the UK Code of Practice on Taxation for Banks
- be of a type that the tax authorities would expect
- only take place with customers and clients sophisticated enough to assess its risks
- be consistent with, and be seen to be consistent with, our purpose and values.

Our tax principles are central to our approach to tax planning for ourselves or on behalf of our clients. Since their introduction in 2013, we believe our tax principles have been a very valuable addition to the way we manage tax, ensuring that we take into account all of our stakeholders when making decisions related to our tax affairs. The same applies to our tax code of conduct which is discussed further on page 7.

Our clients

Our tax principles make it very clear that all tax planning for our clients must support genuine commercial activity. While our clients are ultimately responsible for any decisions in relation to their tax affairs, we, like other banks, do provide some tax related products to our clients. These products are well-understood by tax authorities and often deliver tax incentives specifically intended by governments.

Conversely, for example, we would not provide non-standard loan funding to a client, where the funding is integral to the client's tax planning, if the tax planning does not comply with the spirit, as well as the letter, of the law.

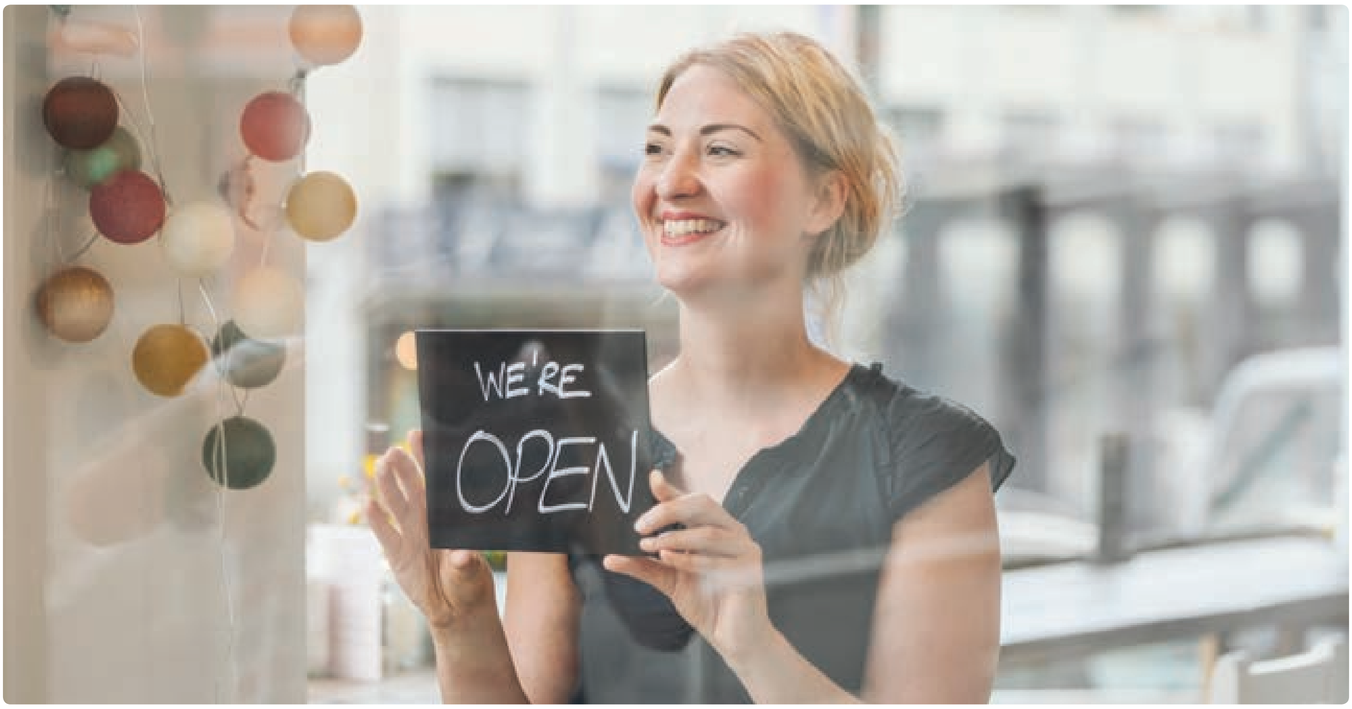
Our tax principles make it very clear that all tax planning for our clients must support genuine commercial activity.

Our business

Tax influences decisions about how we run and organise our business and about where we base our operations. Making these decisions is an integral part of running a global commercial organisation. When tax is a factor in deciding where or how we do business, we ensure that decisions made are consistent with our tax principles and that profits are taxed in the locations in which the economic activity generating them takes place.

Dealings between all companies within our group are priced on an arm's-length basis which reflects the economic substance of the transactions. This is in accordance with established international standards and local tax laws of the countries that we operate in, all of which are equally important to us. Arrangements that artificially transfer profits into a low tax jurisdiction would not be compliant with our tax principles and we do not therefore enter into such arrangements.

When tax is a factor in deciding where or how we do business, we ensure that decisions made are consistent with our tax principles and that profits are taxed in the locations in which the economic activity generating them takes place.



Our approach to tax

Low tax territories

We have business operations in a number of jurisdictions which have low tax rates, principally in the Isle of Man, Jersey and Guernsey, where for many years we have been a significant local employer.

However, we do not market the tax benefits of these locations to our clients. Where a client chooses to invest via these locations, Barclays will only provide the client with services that are compliant with our tax principles.

We have also historically incorporated companies under the laws of other low tax jurisdictions, particularly the Cayman Islands, because the local company law makes it simple and cost effective to set up and manage companies. All of the profits generated in these companies are subject to corporation tax at a rate at least equal to the UK corporation tax rate.

Our tax code of conduct and 'no surprises' approach

Our tax department comprises in-house professionals from a combination of tax, legal and accounting backgrounds. As a transatlantic bank, the majority of our tax team is based in London and New York. We also have tax professionals based in other key jurisdictions. Our tax professionals are subject to clear standards to ensure that they uphold our tax principles and follow our tax code of conduct. The tax department works closely with the businesses and other functions such as Human Resources and Finance, ensuring that our approach to tax is consistently applied throughout the organisation.

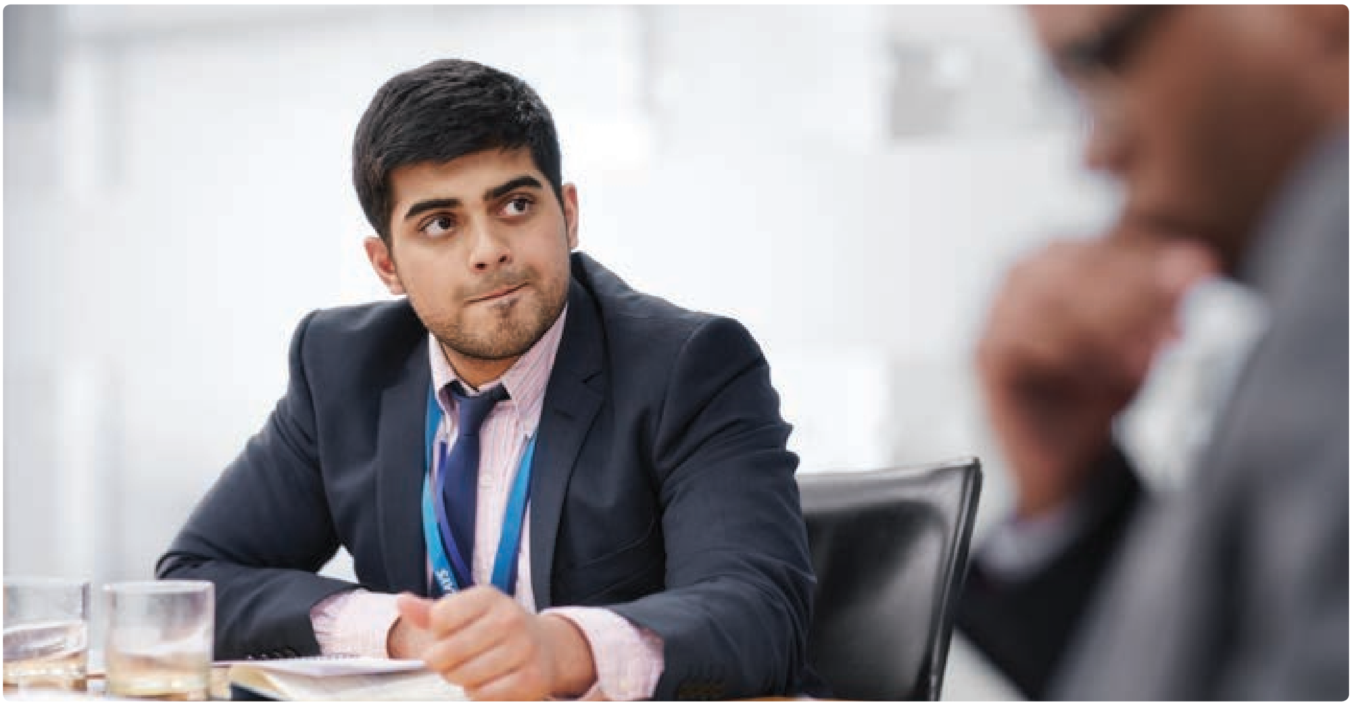
Our tax code of conduct is an integral part of how we operate:

- all tax planning is subject to a robust review and approval process
- our approach to taxation is clearly explained and publicly available, and our tax reporting is transparent and helpful to stakeholders
- our dealings with tax authorities are handled proactively, constructively and transparently, recognising that early resolution of our tax affairs is in everyone's interest, and we respond to feedback from tax authorities
- any litigation necessary to resolve a difference of opinion will be handled in a way that is consistent with our values.

When we have a new product or transaction, we ensure that the tax treatment is well understood and the tax obligations are properly managed. Where necessary, we consult with external advisers to help us manage our tax position and to ensure that we are making appropriate decisions. We also consult with external advisers to help us understand the implications of new or proposed tax legislation.

Our aim is to take a 'no surprises' approach to our interactions with tax authorities by demonstrating the following behaviours in our dealings with them:

- we aim to have professional and constructive relationships with tax authorities
- we make our tax returns as clear as possible and we try to raise important issues proactively and in real time so that tax authorities can focus their resources effectively
- we aim to be co-operative and helpful when dealing with enquiries raised by tax authorities
- from time to time, if it is unclear how tax law should be applied, we may engage with tax authorities to confirm the correct application of tax law.



Our approach to tax

Our governance and risk management

Tax is a complex area and, consequently, we understand the importance of having strong governance in place in relation to our tax affairs.

Barclays has been defined by the Financial Stability Board, in conjunction with other regulatory bodies, as a Globally Systemically Important Bank and this means that our firm-wide risk and governance procedures are subject to continuous review and scrutiny. Our procedures are also regularly reviewed and revised in light of factors such as material changes to our business.

At Barclays, risks are identified and managed through our Enterprise Risk Management Framework (ERMF), which forms the basis of our approach to effective risk management and creating a strong risk culture.

Under the ERMF, we operate a 'Three Lines of Defence' model for managing risk as follows:

First line of defence

Revenue generating and client facing areas, along with all associated support functions

Second line of defence

Risk and Compliance functions

Third line of defence

Internal Audit function

Tax risk is no exception and is managed in accordance with the 'Three Lines of Defence' model. We consider there to be three different categories of tax risk as set out below:

- **Technical tax risk:** Tax law is a continually evolving area. It is possible that the tax authorities may take a differing view or dispute our interpretation of tax law in a way that affects the tax treatment of a specific product or transaction filed in a tax return. It is also possible that the interpretation of tax law or generally accepted custom or practice may change over time.
- **Operational tax risk:** The risk of unexpected financial cost, for example, additional tax payments, interest or penalties arising from inadequate or failed processes or systems or human errors resulting in the filing of incorrect tax returns, the late filing of tax returns or the late payment of taxes.
- **Stakeholder perception risk:** The risk that an action or decision we take will reduce the trust in our integrity and competence by tax authorities, our regulators, investors or the public, leading to potential financial loss and reputational damage.

In the management of tax risk at Barclays, the Barclays tax department is part of the 'First Line of Defence'. Our tax department identifies and manages tax risk by developing appropriate policies, standards and controls to apply across our organisation. The 'Second Line of Defence' is carried out by our Risk and Compliance functions whose role is to perform independent review and challenge of the risk management activities of the 'First Line of Defence', including the Barclays tax department. The 'Third Line of Defence' is the Barclays Internal Audit function which provides independent assurance to the board and executive management over the effectiveness of governance, risk management and control including our management of tax risk.

We have formal procedures around the governance of tax matters and tax risk that must be adhered to by all employees. Our board oversees tax matters and tax risk and carries this out through board level committees.

Board

Oversees tax matters and tax risk

Approval committees

Ensure that tax is fully taken into account when making business decisions

Tax department

Manages Barclays' tax affairs and tax risk across the group

Our approach to tax

Our engagement

Tax has become more high profile in recent years with a wider range of stakeholders interested in how much tax is paid and where that tax is paid. We believe that it is important to be transparent in the disclosure of our tax affairs. This report contributes to that transparency, as do our Annual Report and other publications, and we believe this is an important step in ensuring that the way we manage our tax affairs is explained clearly and is easy to understand.

Barclays engages with governments, non-governmental organisations and industry groups, through public consultations and other discussions, as part of our commitment to assisting with the development of tax policy and the improvement of tax systems, and our commitment to maintain transparency with these stakeholders.

Our view on tax evasion

Tax evasion is the deliberate and illegal non-payment, or underpayment, of any tax and often involves concealing income or assets from tax authorities. Tax evasion is a crime in the UK and in other countries where we operate.

Barclays plays a full role in global efforts to combat tax evasion and has worked alongside governments and international organisations, such as the Organisation for Economic Co-operation and Development (OECD), to support their efforts to combat tax evasion. Barclays is committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority.

Barclays is subject to the provisions of the UK Criminal Finances Act 2017 which introduced a corporate criminal offence of failing to prevent the criminal facilitation of tax evasion in relation to UK and foreign taxes. We do not engage in tax evasion and do not provide products or services with the aim of facilitating tax evasion by others. We also take a zero tolerance approach to any person acting for us or on our behalf who helps customers evade tax in any country.

The measures we have in place to prevent this include:

- training for all staff on tax evasion and tax evasion facilitation
- enhanced due diligence procedures for higher risk customers and third parties
- specific tax evasion 'red flags' to help staff identify potential tax evasion and tax evasion facilitation cases
- assessment and oversight of tax evasion and tax evasion facilitation risk managed through our financial crime risk management framework and related governance.

Our approach to tax

In focus: Transparency and information sharing

Public debate is increasingly focused on the tax policies of companies as well as the amount of tax they pay. Expectations of the level of tax information provided by multinational companies have increased and there is a greater degree of disclosure required by companies in order to maintain public trust.

We are striving to become a leader in tax transparency and are fully committed to supporting and complying with global initiatives to improve tax transparency and protect the integrity of tax systems. Examples of our commitment to some of the key global tax transparency and information sharing initiatives are provided in the diagram below.

Our Commitment

Fairness

Our support for a fair and transparent tax system

- Increased public interest in the integrity of tax regimes globally and improving tax systems has been a priority of governments across the globe and this has led to initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) project.
- One of the aims of the BEPS project is to ensure that the international tax system operates to tax profits where the associated economic activity takes place.
- We support the aims of BEPS which encourages tax regimes to develop in ways that make the global tax system fairer and more transparent.

Transparency

Our commitment to tax transparency

- Action 13 of the BEPS project significantly increases transparency over multinational taxpayers by introducing new requirements for transfer pricing documentation and Country by Country Reporting (CbCR).
- In addition to complying with CbCR and the new transfer pricing documentation requirements, we are fully committed to maintaining enhanced tax disclosures as demonstrated by the voluntary disclosures within this report.

Sharing

Our commitment to information sharing

- The Foreign Account Tax Compliance Act (FATCA) is an international standard for the automatic exchange of information relating to US persons.
- The Common Reporting Standard (CRS) is a global reporting standard requiring information relating to customers to be collated and provided to tax authorities which share this information with one another, reducing the scope for companies and individuals to evade tax.
- We support the aims of FATCA and CRS and have complied fully with all of our 2018 information reporting obligations.

Our approach to tax in the UK

Our UK tax strategy for 2018 is set out below, as required under paragraph 16(2) of Schedule 19 of the Finance Act 2016. Our approach to the management of UK taxes is fully in line with our overall approach to tax set out in this document.

We have summarised the way we manage our UK tax affairs below.

Transparent and professional dealings with HMRC

As outlined earlier in this report, we operate in accordance with our tax code of conduct in relation to all of our tax affairs, including our UK tax affairs.

- In the UK, this involves maintaining a professional and constructive relationship with HMRC. We have regular, real-time meetings with HMRC to discuss their enquiries and material issues in relation to our tax affairs. This helps focus both our and HMRC's resources on the most important issues.
- As a large group, we make hundreds of filings to HMRC every year, and aim to make all of these on time. We also aim to make these tax filings as clear as possible and include explanations as required to ensure that our returns are easy to understand.
- Where we face significant uncertainty in relation to the application of tax law, we may seek to agree with HMRC how the tax law should apply. Any agreements have not provided any advantage to us as they have not resulted in any tax treatment that would not be available to other taxpayers.
- In the very rare instances that we ultimately need to have recourse to the Courts to resolve tax issues, we would continue to interact with HMRC in a constructive and helpful manner.

Governance and controls over UK taxes

- Our global governance procedures are discussed more fully on page 8. The same procedures apply to our UK tax affairs.
- We are fully committed to the UK Code of Practice on Taxation for Banks and are fully transparent with HMRC about our governance procedures and how they comply with the Code's requirements.
- Under the Senior Accounting Officer regime in the UK, we provide attestations annually to HMRC confirming that we have appropriate accounting arrangements to allow our tax liabilities to be calculated correctly.
- We seek to ensure that our tax filings in the UK reflect full compliance with transfer pricing requirements and the arm's-length principle.

Responsible approach to tax planning

- All our tax planning is undertaken in accordance with our tax principles, tax code of conduct and the UK Code of Practice on Taxation for Banks. Both our tax principles and tax code of conduct are set out in full on pages 6 and 7 respectively.
- Any tax planning we undertake is subject to rigorous review through internal governance processes before being undertaken.
- Where necessary, we consult with external advisers to help us manage our tax position and to ensure that we are making appropriate decisions.

Effective risk management

- Given the scale of our business, the broad range of our tax obligations and the complexity of the tax laws that we are required to comply with, uncertainty arises in relation to our tax liabilities from time to time. We refer to this uncertainty as tax risk which is discussed in detail on page 8.
- Where there is significant uncertainty or complexity in relation to a tax risk, we may seek advice from external experts. This gives us confidence that our tax returns are appropriate.
- We proactively seek to identify, evaluate, manage and monitor UK tax risks to ensure our financial exposure is well understood and is within a level that we consider acceptable.
- Our reputation is very important to us and we always take our external stakeholders' expectations into account when we make decisions in relation to our tax affairs.

Taxes by region and by country

This section of our report provides detailed information regarding the taxes paid by us globally during the year ended 31 December 2018.

In 2018, Barclays paid £2,175m of tax of which £1,515m was paid in the UK. This significant contribution to the UK economy reflects the fact that we are a UK-headquartered bank and that the UK is the main base of our global operations.

A large amount of the taxes we pay are specific to the UK banking sector. For example, UK banks pay an additional 8% tax on top of the standard UK corporation tax rate (also known as the UK banking profits surcharge), which means we pay tax at 27% on banking profits compared to the standard UK corporation tax rate of 19%. Other sector specific taxes include UK bank levy which is paid to the UK government based on the value of the liabilities on Barclays' global balance sheet.

In 2018, Barclays paid £2,175m of tax of which £1,515m was paid in the UK.

Taxes paid

UK	Rest of Europe
£1,515m	£348m

Americas	Rest of the world
£155m	£157m

Statement of Directors' responsibilities

Statement of Directors' responsibilities in relation to the Country by Country data ('CBCR Information').

The CBCR Information comprises the information disclosed on pages 15 to 18.

The Directors of Barclays PLC ('the Company') are responsible for preparing the CBCR Information for the year ended 31 December 2018 in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 on the basis of preparation set out in note 1 to the CBCR Information.

In preparing the CBCR Information, the Directors are responsible for:

- interpreting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013
- determining the acceptability of the basis of preparation set out in note 1 to the CBCR Information
- making judgements and estimates that are reasonable and prudent
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so
- establishing such internal control as they determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error.

The CBCR Information does not constitute the Company's statutory accounts for the financial year ended 31 December 2018. Statutory accounts for 2017 have been delivered to the registrar of companies, and those for 2018 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The CBCR Information was approved by order of the Board of Directors of Barclays PLC.

Tushar Morzaria
Group Finance Director

20 February 2019

Independent Auditor's report to Barclays PLC ('the Company')

Opinion

We have audited the accompanying information labelled 'Country by Country data' ('CBCR Information') as at and for the year ended 31 December 2018, which has been prepared based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the Directors of the Company as set out in the basis of preparation in note 1.

In our opinion, the CBCR Information as at and for the year ended 31 December 2018 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the Directors as set out in the basis of preparation in note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'), including ISA (UK) 800, and the terms of our engagement letter dated 23 January 2019. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to note 1 to the CBCR Information, which describes the basis of preparation. As explained in that note, the CBCR Information has been prepared for the purposes of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result the CBCR Information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the CBCR Information. All audits assess and challenge the reasonableness of estimates made by the Directors and the appropriateness of the going concern basis of preparation of the CBCR Information. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the CBCR Information on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the CBCR Information ('the going concern period').

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the CBCR Information. We have nothing to report in these respects.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information

The Directors are responsible for the other information, which comprises total tax paid, social security paid, VAT paid, bank levy paid and other taxes paid. Our opinion on the CBCR Information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our CBCR Information audit work, the information therein is materially misstated or inconsistent with the CBCR Information or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Directors' responsibilities

As explained more fully in their statement set out on page 13, the Directors of the Company are responsible for: the preparation of the CBCR Information in accordance with, and for interpreting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as set out in the special purpose basis of preparation in note 1 to the CBCR Information; determining that the basis of preparation is acceptable in the circumstances; such internal control as they determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the CBCR Information as a whole is free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the CBCR Information.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company, in accordance with the agreed terms of our engagement. Our audit work has been undertaken so that we might state to the Company those matters we have agreed to state to it in this report, and to facilitate the Company's compliance with the requirement for audit of the Company's CBCR Information set out in Regulation 2(7) of the Capital Requirements (Country-by-Country Reporting) Regulations 2013, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our audit work, for this report, or for the opinions we have formed.

Michelle Hinchliffe
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

20 February 2019

Country by country data

Country Snapshot 2018

		Audited		Unaudited	Audited	Unaudited				Audited	
Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid £m	Corporation tax paid £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
United Kingdom	We are one of the largest banks in the UK, with operations spanning all our business units. Various factors mean that the profit we report as being earned in the UK differs from the profits on which we are subject to UK corporation tax. In particular, being a UK-headquartered bank, the profit figure includes dividends received from overseas subsidiaries, which are not taxed in the UK as they have already been taxed in the jurisdiction in which those profits were earned. Our UK taxable profits were reduced as a result of the offset of tax losses brought forward from prior years. During 2018, we made additional VAT payments of £181m in response to assessments raised by HMRC that have the effect of removing certain overseas subsidiaries that have operations in the UK from Barclays' UK VAT group. We have appealed these assessments to the First-tier Tax Tribunal and therefore these additional VAT payments have not been included in the VAT paid figure of £544m.	12,311	2,056	1,515	135	427	544	334	75	–	49,028
United States	Our principal US activities include a significant and wide ranging corporate and investment banking business and Barclaycard operations. We pay US taxes, including federal, state and local corporate income taxes, on the profits from those activities. Our US taxable profits in 2018 were reduced as a result of the offset of tax losses brought forward from prior years. In addition, the US federal corporate income tax rate has reduced from 35% to 21% with effect from 1 January 2018 as a result of the US Tax Cuts and Jobs Act of 2017.	7,486	613	137	31	76	4	–	26	–	10,427
India	Our global service centre, which provides world class technology and operations solutions and services to Barclays businesses globally, is located in India. We also carry on corporate and investment banking activities and provide private banking services in India. These activities are taxed locally at rates above the UK corporation tax rate.	600	120	71	54	12	5	–	–	–	16,464
Germany	Our operations in Germany consist of corporate and investment banking activities and consumer cards and loans. These activities are taxed locally at rates above the UK corporation tax rate. The amount of corporation tax paid in 2018 was reduced by an overpayment in the prior year.	407	191	24	10	5	9	–	–	–	720
Singapore	Our operations in Singapore consist of corporate and investment banking activities. Our regional technology and operations service centre is also located in Singapore. These activities are taxed locally at a rate below the UK corporation tax rate.	395	48	8	1	7	–	–	–	–	1,123
Hong Kong	Hong Kong is a regional centre for our investment banking business and also provides corporate banking facilities. These activities are taxed locally at rates below the UK corporation tax rate. In 2018, we received a corporation tax refund due to overpayments in prior years.	388	24	(5)	(5)	–	–	–	–	–	422

Country by country data

Country Snapshot 2018

Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid £m	Corporation tax paid £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
		Audited	Audited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Luxembourg	Our operations in Luxembourg consist of treasury activities such as raising financing, collateral management and funding our Barclays International operations. We also carry on investment banking activities including equities business in Luxembourg. We paid no corporation tax in Luxembourg in 2018 as a result of dividends not being taxable under Luxembourg tax law and the offset of tax losses brought forward from prior years.	337	318	1	–	–	1	–	–	–	42
Japan	Our operations in Japan consist of investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	325	98	33	25	6	2	–	–	–	479
Isle of Man	Our operations in the Isle of Man consist of banking, credit and investment services. These activities are taxed locally at a rate below the UK corporation tax rate.	174	100	12	10	2	–	–	–	–	466
Jersey	Our operations in Jersey consist of banking, credit and investment services. These activities are taxed locally at a rate below the UK corporation tax rate.	158	88	11	10	1	–	–	–	–	246
Monaco	Our operations in Monaco consist of private banking services. These activities are taxed locally at a rate above the UK corporation tax rate. Corporation tax payments made in 2018 were based on taxable profits in 2017.	123	49	24	13	7	4	–	–	–	219
Switzerland	Our operations in Switzerland consist of investment banking activities and private banking services. We paid no corporation tax in 2018 due to the offset of tax losses brought forward from prior years.	111	16	5	(1)	5	1	–	–	–	290
France	Our operations in France consist of corporate and investment banking activities. The amount of corporation tax due in 2018 is based on taxable profits in 2017. As we have incurred tax losses in 2017, no corporation tax was paid in 2018.	98	12	29	–	22	7	–	–	–	157
Mexico	Our operations in Mexico focus on investment banking activities. These activities are taxed locally at rates above the UK corporation tax rate. In 2018, taxable profits were reduced as a result of the offset of tax losses brought forward from prior years.	79	39	6	3	1	2	–	–	–	73
Canada	Our operations in Canada focus on investment banking activities. These activities are taxed locally at rates above the UK corporation tax rate. Corporation tax payments made in 2018 were based on taxable profits in 2017.	66	26	4	2	1	1	–	–	–	67
Lithuania	Our operations in Lithuania consist of IT support and development functions as well as HR services functions. These activities are taxed locally at rates below the UK corporation tax rate.	58	4	10	1	9	–	–	–	–	969
Ireland	Our operations in Ireland consist of corporate banking, private banking and merchant acquiring services. These activities are taxed locally at a rate below the UK corporation tax rate. In preparation for the UK leaving the EU, we are expanding the activities of our Irish subsidiary.	49	16	3	2	1	–	–	–	–	136

Country by country data

Country Snapshot 2018

		Audited		Unaudited	Audited	Unaudited				Audited	
Country[a]	Commentary	Turnover £m	Profit/ (loss) before tax £m	Total tax paid £m	Corp-oration tax paid £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
Guernsey	Our operations in Guernsey consist of banking, credit and investment services. These activities are taxed locally at a rate below the UK corporation tax rate.	44	24	4	4	–	–	–	–	–	67
Spain	Our operations in Spain consist of corporate and investment banking activities. In 2018, we received a corporation tax refund due to overpayments in prior years.	42	(16)	(24)	(29)	1	4	–	–	–	78
Italy	Our operations in Italy consist of corporate and investment banking activities as well as a legacy residential mortgage portfolio. Corporation tax payments made in 2018 relate to prior years.	36	(74)	17	2	5	10	–	–	–	177
Czech Republic	Our operations in the Czech Republic consist of IT support and development functions. These activities are taxed locally at a rate similar to the UK corporation tax rate.	33	2	6	1	5	–	–	–	–	421
United Arab Emirates (UAE)	Our operations in the UAE consist of corporate and investment banking activities and private banking services. The amount of corporation tax due in 2018 is based on taxable profits in 2017. As we have incurred tax losses in 2017, no corporation tax was paid in 2018.	31	7	–	–	–	–	–	–	–	181
Israel	Our operations in Israel consist mainly of investment banking activities. In 2018, we received a corporation tax refund due to overpayments in prior years.	12	(1)	(2)	(2)	–	–	–	–	–	39
Portugal	Our operations in Portugal consist of corporate and investment banking activities. Corporation tax payments made in 2018 relate to the current and prior years.	12	13	6	5	–	1	–	–	–	14
Brazil	Our operations in Brazil focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	9	(1)	2	1	1	–	–	–	–	7
China	Our operations in China consist of investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	8	3	–	–	–	–	–	–	–	24
The Netherlands	Our operations in the Netherlands consist of corporate and investment banking activities.	6	–	–	–	–	–	–	–	–	10
Sweden	Our operations in Sweden focus on investment banking activities.	3	1	1	–	1	–	–	–	–	4
Australia	Our operations in Australia recommenced in 2018 and focus on investment banking activities.	3	–	–	–	–	–	–	–	–	–
Other[b]	Represents countries each with a turnover of less than £1m in 2018	–	3	(2)	(4)	1	1	–	–	–	11
Subtotal		**23,404**	**3,778**	**1,896**	**269**	**596**	**596**	**334**	**101**	**–**	**82,361**
Withholding taxes				**279**	**279**						
Share of post-tax results of other related undertakings[c]		**–**	**40**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Intra-group eliminations:											
Dividends		**(731)**	**(731)**								
Recharges		**(1,944)**									
Hedging		**(80)**	**(80)**								
Other		**487**	**487**								
Total		**21,136**	**3,494**	**2,175**	**548**	**596**	**596**	**334**	**101**	**–**	**82,361**

Notes

a A list of the main entities that Barclays operates through around the world and which together contribute over 90% of the Group's turnover can be found within the Citizenship section of our website at: https://home.barclays/citizenship/our-reporting-and-policy-positions/country-snapshot/

b The countries with turnover of less than £1m in 2018 are Argentina, Belgium, Cyprus, Gibraltar, Indonesia, Malta, Mauritius, Nigeria, Phillipines, Qatar, Russia, Saudi Arabia, Seychelles, South Africa, South Korea, Taiwan and Zimbabwe.

c This represents the profit after tax of EnterCard Group AB, a joint venture between Barclays (40%) and Swedbank (60%) in Sweden. The profits of EnterCard Group AB are included in Barclays' consolidated accounts on a post-tax basis and corporation tax on the joint venture's profits is paid locally by the joint venture entity.

Country by country data

Note 1– Basis of preparation

The CBCR Information does not constitute the Company's statutory accounts for the financial year ended 31 December 2018. Statutory accounts for 2017 have been delivered to the registrar of companies, and those for 2018 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The table provides the following information for Barclays in 2018:

Country: In most cases, we have determined which country to report activity under by looking at the country of tax residence. Where activities are conducted by entities that are not themselves subject to tax (for example certain partnerships), then we have considered other factors such as the location of management and employees, the jurisdiction in which the majority of revenues are generated, and the country of establishment of the entity's parent. In these cases, it is possible that tax is paid in a different country to the one where profits, upon which the tax is paid, are reported.

Commentary: We have explained the nature of our activities in each country. That disclosure is included within the commentary column in the table above together with our explanation of any matters of interest.

Turnover: Turnover gives an indication of the size of our business in each country, and we have ordered the table in descending order. Turnover includes net interest income, net fee and commission income, net trading income, net investment income, net premiums from insurance contracts and net claims and benefits incurred on insurance contracts. Some of the turnover numbers need to be treated with care as technical accounting requirements applicable to the way these figures are prepared mean there is an element of double counting. Profits generated in the US and then paid to the UK as a dividend for example, will be included within both the US and UK figures. Adjustments to address this double counting, called intra-group eliminations, are broken down by type at the end of the table and total £2,268m for 2018 in relation to turnover.

Profit/(loss) before tax: These numbers are accounting profits. As with the turnover figures, these numbers include some double counting which is reconciled at the bottom of the table. Total intra-group eliminations for the profit/(loss) before tax column are £324m.

Total tax paid: This column shows the total tax Barclays actually paid in each country in 2018. The following columns break this total down into its constituent parts. Most of the taxes paid in any given year will not relate directly to the profits earned in that year. For example, bank levy is a tax on how we fund ourselves and is paid regardless of whether or not we make any profit.

Corporation tax paid: This column records corporation tax actually paid in each country in 2018. Corporation tax payable in any given year is not directly comparable to profits for the same 12 month period. This is because tax on profits is paid across multiple years. In addition, taxable profits are calculated as prescribed by tax law which usually results in differences between accounting and taxable profits. This means it is possible that relatively high corporation tax can be paid when accounting profits are low and vice-versa. The amount of tax paid shown in the financial statements also includes withholding taxes. Withholding taxes comprise the tax charged on dividends or other income received, which is typically paid at the point of distribution from one country to another. We have kept these amounts separate from corporation tax paid by country in the table above.

Payroll taxes paid: These are taxes borne by us, based on government social security policies in each country and, for example, in the UK represent employer's national insurance contributions. They do not represent income tax on payments to our employees or employees' national insurance contributions which are taxes collected but not borne by us.

VAT paid: This includes VAT and other consumption taxes (including goods and services tax, consumption tax and US Sales and Use Taxes). The amounts relate to irrecoverable VAT paid. Unlike many other businesses, financial services businesses are only able to reclaim a small proportion of the VAT they incur, making VAT a significant part of our tax contribution. Not all countries have a VAT system which is why there are no entries against some countries within the table. These numbers do not include any VAT charged to customers on Barclays' products and services which we collect on behalf of tax authorities.

Bank levy paid: Bank levy is a tax paid to the UK government on our global balance sheet as we are a UK-headquartered bank. It is a tax charged on the funding we raise to support our businesses globally. As with corporation tax, bank levy is paid across multiple years and therefore the tax paid of £334m in 2018 should not be expected to equate to the accounting accrual in 2018.

Other: Other taxes are the material property taxes that Barclays paid in 2018 and include, for example, taxes on the property we use in our business such as our network of high street branches.

Public subsidies received: Includes only direct support from governments such as government grants.

Average number of employees: The number of employees has been calculated as the average number of employees, on a monthly full-time equivalent basis, who were permanently employed by Barclays PLC or one of its subsidiaries during the relevant period. An average of the number of full-time equivalent employees at the end of each calendar month has been calculated. Contractors, agency staff, and staff on extended leave, such as maternity leave, are excluded.

Intra-group eliminations: These include adjustments that relate principally to transactions between Barclays businesses in different countries which are included within the individual country turnover, but are then eliminated in determining the overall Group results to avoid double counting. Intra-group eliminations include dividend payments, income from intra-group transfers of assets, and income arising from hedging transactions that occur at a consolidated Barclays Group level rather than an individual entity level.

The comparable information for 2017 can be found on our website at home.barclays/citizenship/reports-and-publications/country-snapshot.html