

# About Barclays



## Overview

Barclays is a **transatlantic consumer and wholesale bank** offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in **our two home markets of the UK and the US**

With **over 325 years** of history and expertise in banking, Barclays operates in **over 40 countries** and employs approximately **83,500 people**. Barclays moves, lends, invests and protects money for customers and clients worldwide

For further information about Barclays, please visit our website [home.barclays](http://home.barclays)

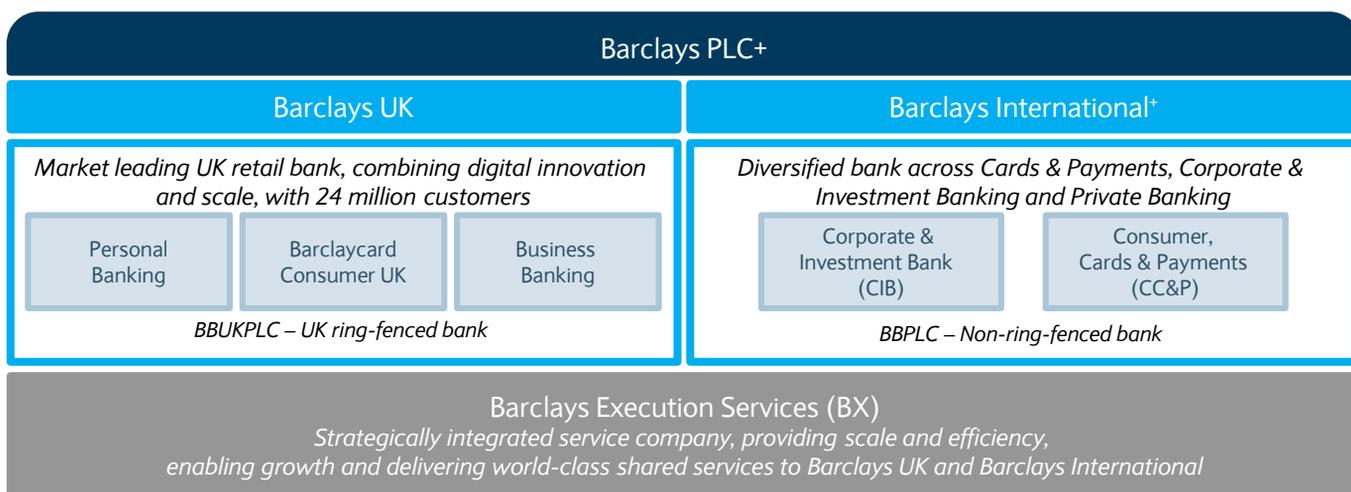
## Strategy

- Two clearly defined businesses, **Barclays UK** and **Barclays International**, provide **diversification** by business line, geography and customer, enhancing **financial resilience** and helping to contribute to the delivery of **consistent and sustainable returns** through the cycle
- Focused on **improving our return on tangible equity** on a sustainable basis and **increasing cash returns to shareholders**
- Q2 2019** demonstrates **another quarter of successful execution** of our strategy, with further **progress towards our financial targets**

## Key Group financials – Q2 2019

Income	£5,538m
PBT <sup>1</sup>	£1,584m
RoTE <sup>1</sup>	9.3%
CET1 ratio	13.4%
RWAs	£319.1bn
TNAV	275p

## Group Divisional Structure



+ Includes Head Office

## Financial targets

<b>Returns<sup>2</sup></b>	<b>Group Return on Tangible Equity (RoTE)</b> >9% in 2019 >10% in 2020 Based on a CET1 ratio of c.13%	<b>Capital<sup>3</sup></b>	<b>Group CET1 Ratio</b> c.13.0%	<b>Costs</b>	<b>Group Cost Target</b> <£13.6bn <sup>4</sup> in 2019 Cost: income ratio <60%
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## Results overview<sup>1</sup> – Q2 2019

- **Group RoTE of 9.3% and EPS of 6.3p, with increased half year dividend of 3p declared:** Income was down 1% reflecting the challenging income environment. Despite this, both BUK and BI reported double digit returns
- **Continued cost discipline:** Cost income ratio rose to 63%, reflecting continued investment in the business. Given the challenging income environment experienced in H119, management expect to reduce 2019 costs below £13.6bn<sup>4</sup>
- **Barclays UK RoTE of 13.9%:** Resilient income performance, with continued investment in digitising the bank; Net Interest Margin was 3.05%, down 13bps from Q1 due to increased refinancing by mortgage customers, reduced risk appetite in UK cards and mix effect from growth in secured lending
- **Barclays International RoTE of 10.8%:** CIB performance was robust, particularly in FICC and Banking fees; Consumer, Cards & Payments continued to generate attractive returns, while continuing to invest in growth
- **CET1 ratio of 13.4%, above our target level with 38bps generated from profits in the quarter, offset primarily by dividends;** well positioned to increase cash returns to shareholders while maintaining a strong capital position

Group performance <sup>1</sup>			
Quarter ended (£m)	Jun-19	Jun-18	% change
Income	5,538	5,576	(1%)
Impairment	(480)	(283)	(70%)
Total operating expenses	(3,501)	(3,310)	(6%)
Other net (expenses)/income	27	(7)	
<b>PBT</b>	<b>1,584</b>	<b>1,976</b>	<b>(20%)</b>

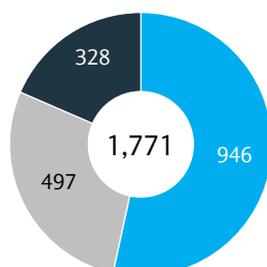
  

Performance measures			
Basic earnings per share	6.3p	7.8p	
RoTE	9.3%	12.3%	
Cost: income ratio	63%	59%	
Loan loss rate (LLR)	56bps	35bps	

### Barclays UK

#### Split of income (£m)

- Personal Banking
- Barclaycard Consumer UK
- Business Banking

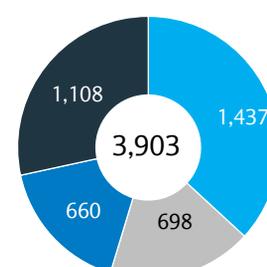


RoTE<sup>1</sup>: 13.9%

### Barclays International

#### Split of income (£m)

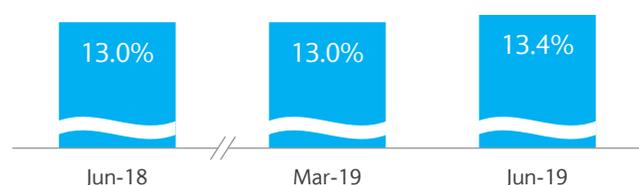
- Markets
- Banking fees
- Corporate
- Consumer, Cards & Payments



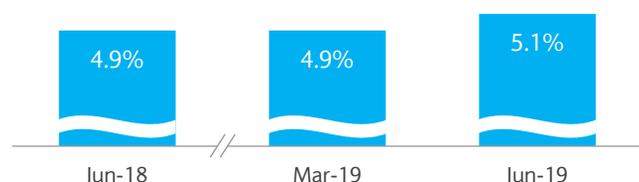
RoTE<sup>1</sup>: 10.8%

## Financial strength

### CET1 ratio



Robust UK leverage ratio



### Solid liquidity and funding base

Group	Jun-18	Jun-19
Liquidity pool	£214bn	£238bn
Liquidity coverage ratio	154%	156%
Loan: deposit ratio <sup>5</sup>	83%	82%

### Strong asset quality

As at 30.06.19  
As at 31.12.18

	Group Retail <sup>6</sup>	Group Wholesale <sup>6</sup>
Total gross exposure (£bn)	207.0 204.5	138.9 128.7
Total impairment allowance (£bn)	5.4 5.7	1.1 1.1
Total coverage ratio (%)	2.6% 2.8%	0.8% 0.8%

## Credit ratings

As at 1 August 2019

	Barclays PLC	Barclays Bank PLC	Barclays Bank UK PLC
Fitch	A / RWN / F1	A+ / RWN / F1	A+ / RWN / F1
Moody's	Baa3 / Positive / P-3	A2 / Positive / P-1	A1 <sup>7</sup> / Stable / P-1
S&P	BBB / Stable / A-2	A / Stable / A-1	A / Stable / A-1

## Footnotes

- <sup>1</sup> Excluding litigation and conduct
- <sup>2</sup> Excluding litigation and conduct and based on a CET1 ratio of c.13%
- <sup>3</sup> CET1 ratio is currently 170bps above the expected regulatory minimum level. The headroom will continue to be reviewed on a regular basis
- <sup>4</sup> Excluding litigation and conduct and based on a 1.27 USD FX rate
- <sup>5</sup> Loan: deposit ratio is calculated as loans and advances at amortised cost divided by deposits at amortised cost
- <sup>6</sup> Group also includes Head Office
- <sup>7</sup> Deposit rating

## Important Notice

The terms Barclays or Barclays Group refer to Barclays PLC together with its subsidiaries. The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards. All such regulatory requirements are subject to change;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in June 2018, updating the Bank of England's November 2016 policy statement, and the non-binding indicative MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy statement and as a result of the finalisation of international and European MREL/TLAC requirements;
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change, including amongst others, holding constant the Pillar 2A requirement at the 2018 level despite it being subject to at least annual review and assumed CRD buffers, which are also subject to change.

## 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 the Barclays Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures 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 or guidance regarding or relating to the Barclays Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts 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 including 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 applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any 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 any entities within the Barclays Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the United Kingdom from the European Union and the disruption that may subsequently result in the UK and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Group's control. As a result, the Barclays Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Barclays Group's forward-looking statements. Additional risks and factors which may impact the Barclays Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2018), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-IFRS Performance Measures

This presentation includes certain non-IFRS performance measures, such as income statement and financial performance measures excluding litigation and conduct. These measures are defined and reconciliations to the nearest IFRS measures are available in the appendix to Barclays Group's interim results announcement for the period ended 30 June 2019.