

# Citi Global Financial Services Conference

Andrew Jones

*Co-CEO Asia Pacific, Barclays*



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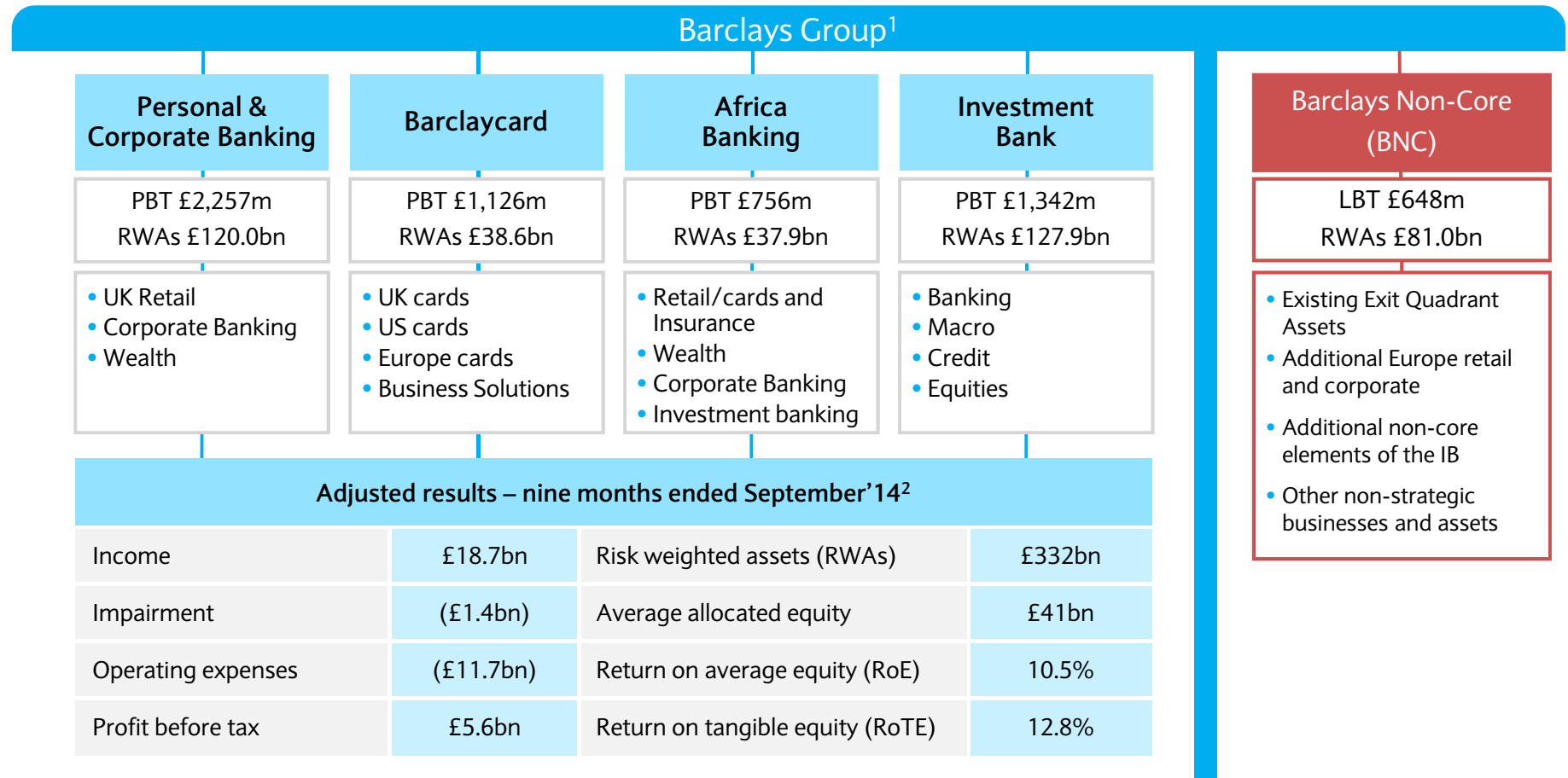
# Overview

Barclays Group strategy update

Asia Pacific market context

Barclays focus in Asia Pacific

# Barclays Group: Reorganising to a simpler, more focused and balanced structure



1. All figures for nine months ended September'14

2. Includes Head Office as part of 'core', representing £7.5bn RWAs and £106m PBT

# Barclays Group: Balance, resilience and progress

Increased pre-tax profits both year-to-date and year-on-year for the quarter

Costs excluding CTA down for third consecutive quarter, on track for full year target of ~£17bn

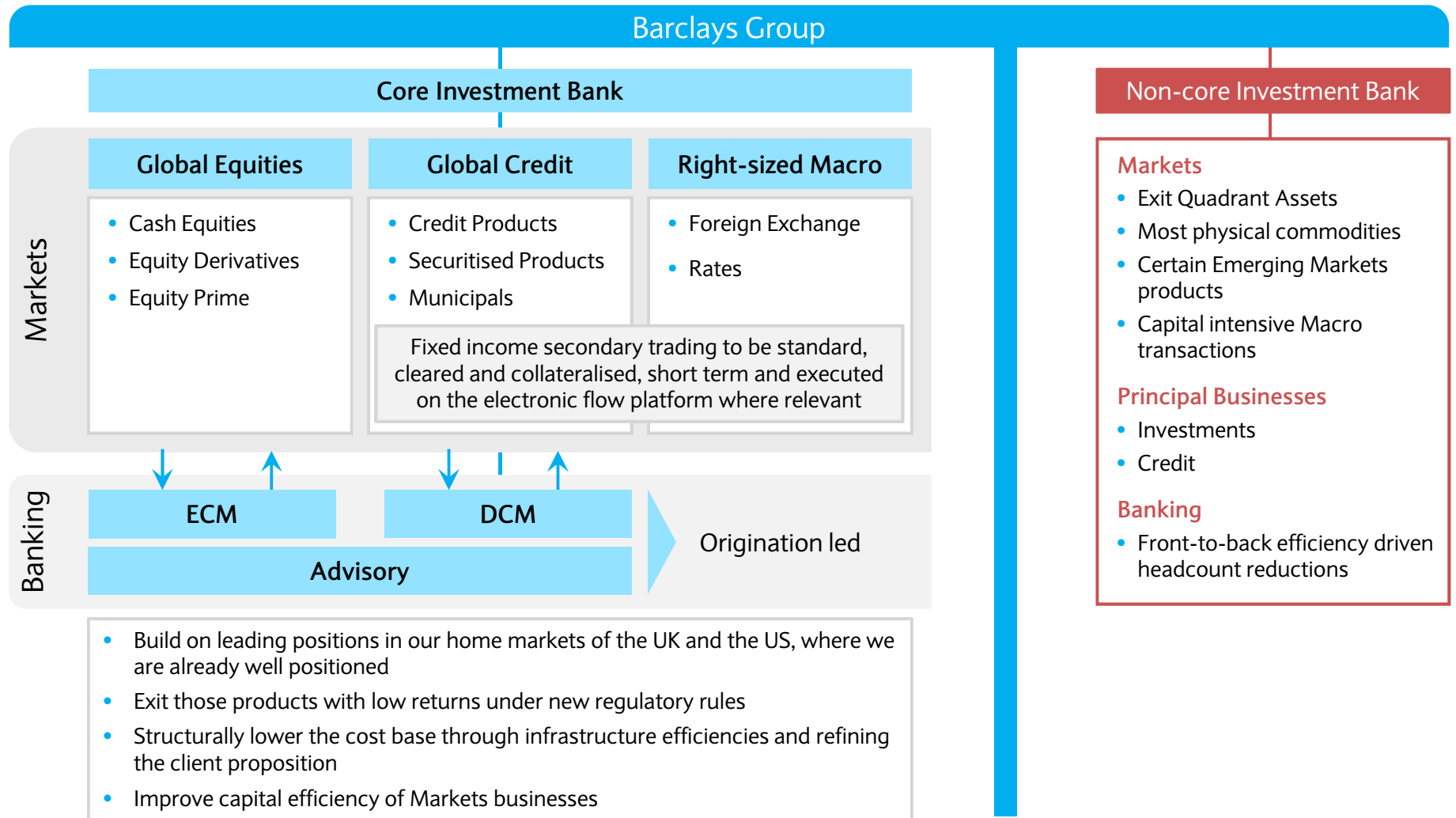
Building capital: CET1 ratio 10.2% (10.4% including Spanish disposal); leverage ratio 3.5%

Core business performed well with PBT of £5.6bn and RoE of 10.5% (12% ex-CTA)

Non-Core continued to shrink and return capital; Spanish disposal on track

TNAV increased to 287p

# Investment Bank: Building on competitive advantages



# Investment Bank: Challenging quarter, but repositioning underway

Nine months ended – September (£m)	2013	2014
– Banking	1,846	1,890
– Markets	4,988	4,012
– Other	(20)	20
Income	6,814	5,922
Impairment release	28	21
Total operating expenses	(4,686)	(4,601)
– Costs to achieve Transform	(120)	(352)
Profit before tax	2,156	1,342
Financial performance measures		
Average allocated equity <sup>1</sup>	£16.2bn	£15.3bn
Return on average tangible equity	11.8%	5.1%
Return on average equity	11.4%	4.9%
Cost : income ratio	69%	78%
	Jun-14	Sep-14
CRD IV RWAs	£123.9bn	£127.9bn

1. Average allocated equity for preceding nine months

2. USD change represents monthly spot rate conversion of GBP results

Q3 13	Q3 14	Sterling Reporter	USD Reporter <sup>2</sup>
568	547	(4%)	2%
1,289	1,120	(13%)	(8%)
(6)	(2)		
1,851	1,665	(10%)	(5%)

## Financial performance

### Q3 14 vs. Q3 13

- Income fell 10%; 5% on USD basis
- Banking decreased 4%; decline in fee income partially offset by Lending income
- Markets income decreased 13%

### YTD 14 vs. YTD 13

- Income decreased 13%; 6% on USD basis
- Operating expenses decreased 2%
- RoE was 4.9% (or 7% excluding CTA)

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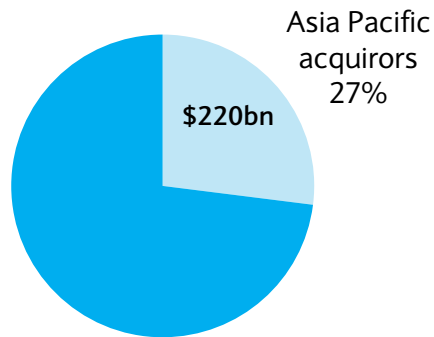
**Asia Pacific market context**

Barclays focus in Asia Pacific

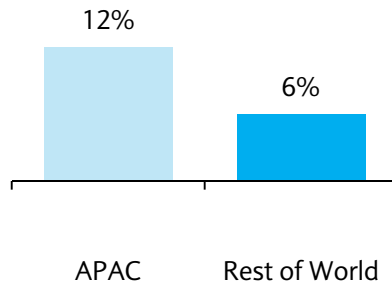
# Asia Pacific markets are globally significant and continue growing fast

2009-2013 Annual average market cash volume

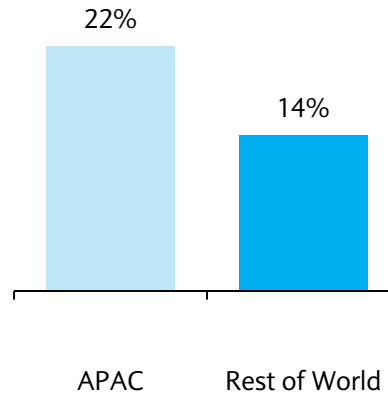
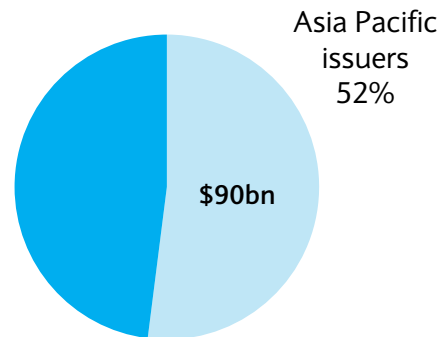
Cross-border M&A volume



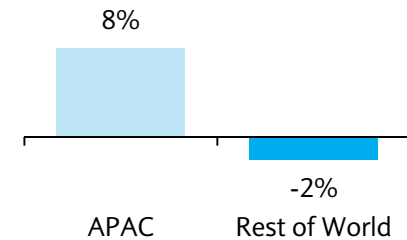
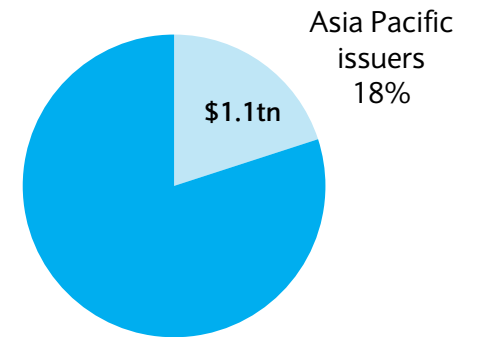
2009 – 2013 CAGR<sup>1</sup>



Global IPO market<sup>1</sup>



International bonds market

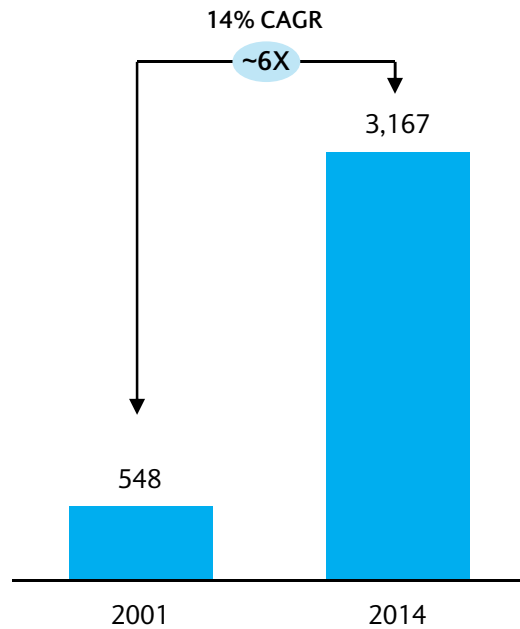


Source: Dealogic, As of Aug 28, 2014  
 1. 2008-2013 CAGR for IPO market



# Asia Pacific is both a provider of liquidity and products

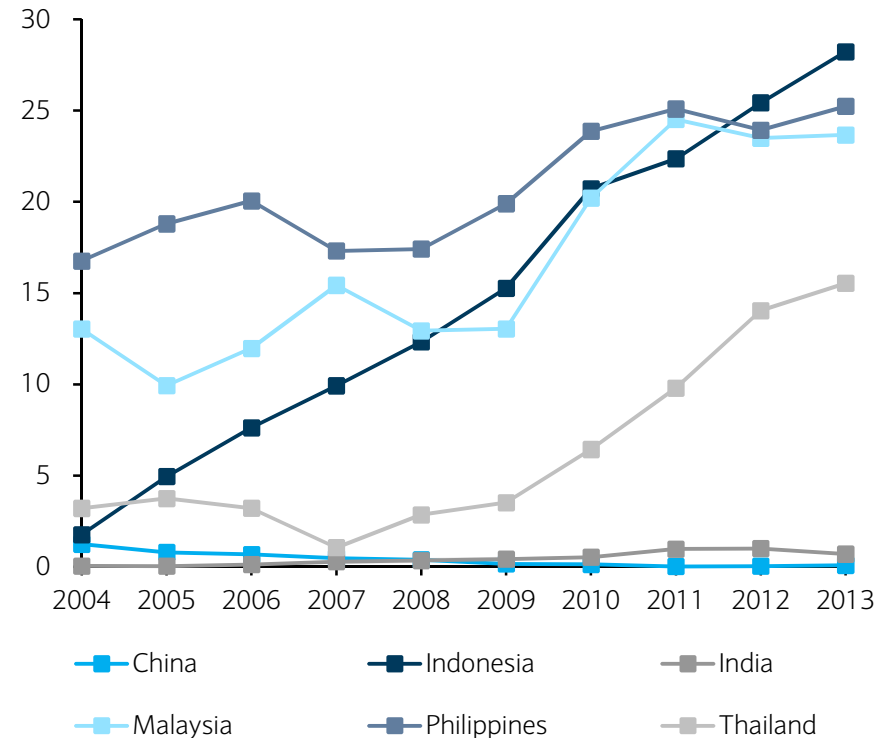
US Treasuries held by Asia Pacific investors<sup>1</sup> (\$bn)



% of Asia Pacific holding of total US Treasury securities outstanding

Year	Percentage
2001	9%
2014	18%

Asian sovereign debt held by foreign investors<sup>2</sup> (% of total debt)



1. US Treasury Data; 2001 year end; 2014 August data

2. IMF Data; Foreign investor holdings exclude Official loans which include developmental assistance and other official flows

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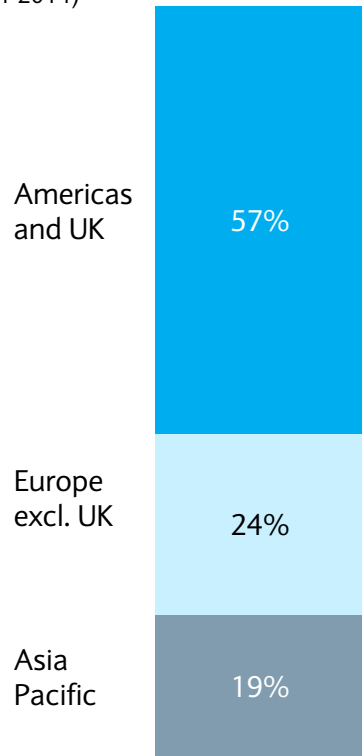
**Barclays focus in Asia Pacific**

# Barclays has a well established Asia Pacific business

## Asia Pacific is a sizable revenue pool

## Strong market position

Global revenue pools by region<sup>1</sup>  
(H1 2014)



Asia Pacific

By country

- #1 Interest Rates (Asia Risk)
- #1 Asia Pacific FX (Risk Institutional Investor Derivatives 2014 Ranking)
- #5 Asia Pacific International bonds
- #9 announced Asia Pacific M&A

- #1 Fixed Income Research (Finance Asia)
- #10 Asia Equity Research (Institutional Investor)
- 2014 Asia Pacific Private Bank of the year (Structured Products)

### Japan

- #1 International Bonds
- #4 Equity Research (Institutional Investor)
- #5 market share on TSE

### Greater China

- #1 announced China outbound M&A
- #3 US Equity offerings by Chinese Issuers
- #2 Most award-winning broker (Thomson Reuters Starmine - HK/China)

### India

- #4 International Bonds
- #6 All India Research (Institutional Investor)
- Best India Private Bank (The Asset)
- Fully licensed with branches in major cities

### South-East Asia, South Korea, Australia

- #3 International Bonds in Australia
- #4 announced South-East Asia M&A
- Best Korea Debt House (The Asset)

Note: DCM and ECM rankings per Bloomberg (H1 14), M&A rankings per Dealogic (H1 14)

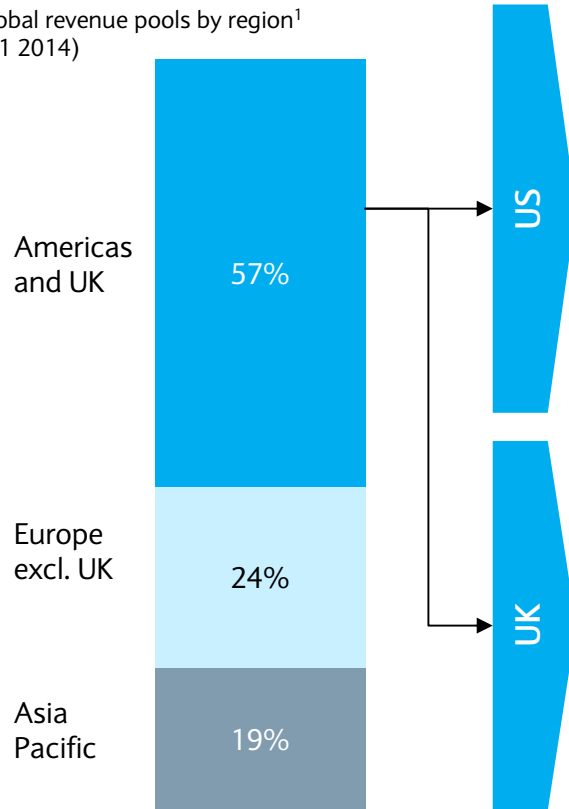
1. Coalition: Revenue Pools are based upon the H1 14 results, and adopt the 'franchise' view; market positions are based upon the H1 14 results, adopt the 'product' view and are based on the Coalition Index banks. All rankings have been confirmed independently by Coalition, based on BARC's internal organisation structure

# Asia Pacific leverages the strength of our existing global franchise

Two home markets represent largest investment banking revenue pools

Strong market position

Global revenue pools by region<sup>1</sup>  
(H1 2014)



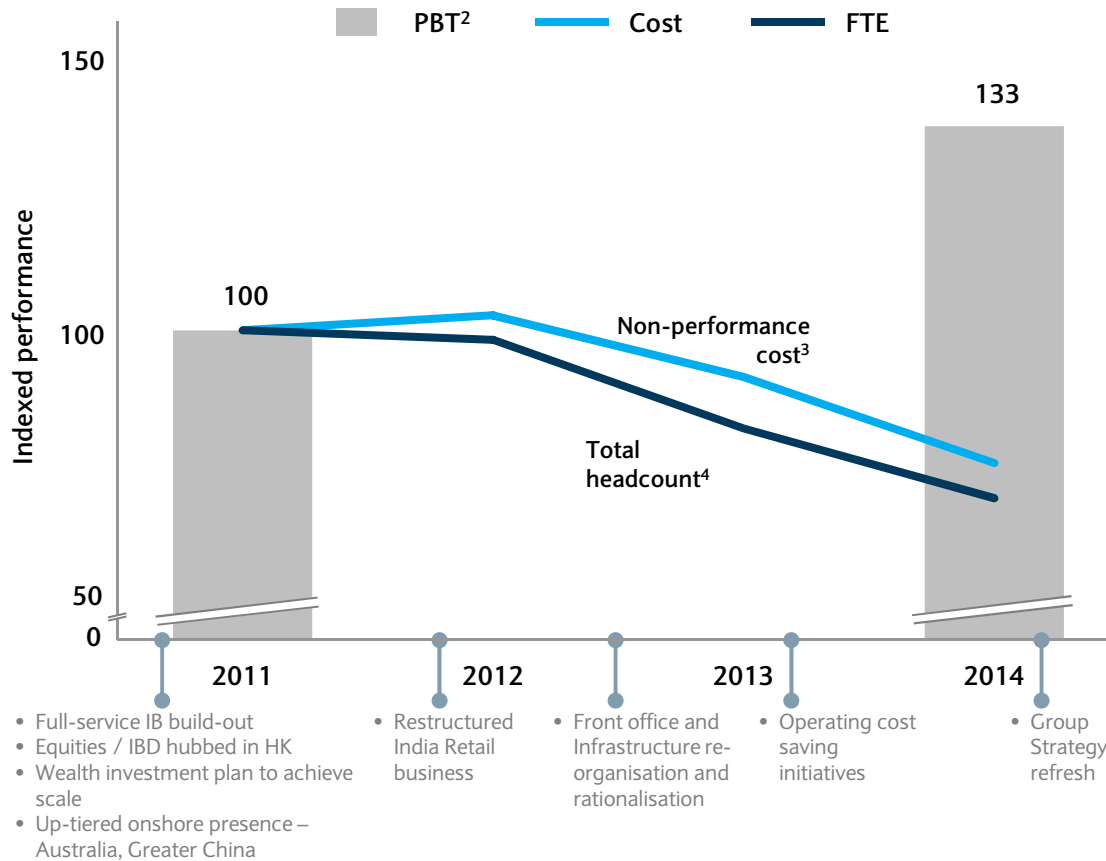
- | US  | UK   |
|---|--|
| <ul style="list-style-type: none"> <li>• #2 All International Fixed Income by Product<sup>2</sup></li> <li>• #1 All Investment Grade Debt globally<sup>2</sup></li> <li>• #2 in Announced M&amp;A (by target)<sup>2</sup></li> </ul>  | <ul style="list-style-type: none"> <li>• #5 US Equities trading platform<sup>1</sup></li> <li>• #5 US Rates trading platform<sup>1</sup></li> <li>• #3 Fixed Income franchise globally<sup>2</sup></li> </ul>  |
| <ul style="list-style-type: none"> <li>• #2 EMEA Rates trading platform<sup>1</sup></li> <li>• #1 Fixed Income franchise in the UK<sup>2</sup></li> <li>• #1 in UK Investment Grade Loans<sup>2</sup></li> <li>• Best Investment Bank in the UK<sup>3</sup></li> <li>• Best Debt House in the UK<sup>3</sup></li> </ul> | <ul style="list-style-type: none"> <li>• #2 in UK Leveraged Loans<sup>2</sup></li> <li>• #1 in UK Corporate High Yield Debt<sup>2</sup></li> <li>• #3 in Completed M&amp;A (UK target)<sup>2</sup></li> <li>• #2 Fixed Income franchise in EMEA<sup>2</sup></li> </ul> |

Note: Market positions based on 2014 data

1. Coalition: Revenue Pools are based upon the H1 14 results, and adopt the 'franchise' view; market positions are based upon the H1 14 results, adopt the 'product' view and are based on the Coalition Index banks. All rankings have been confirmed independently by Coalition, based on BARC's internal organisation structure
2. Dealogic as at 30 September 2014
3. Euromoney Awards for Excellence July 2014

# Asia Pacific TRANSFORMation

## Barclays Asia Pacific Investment Bank performance<sup>1</sup>



## Highlights

### Costs

23%↓

Costs peaked in 2012 and have fallen significantly since then

### Headcount

29%↓

Headcount reduction started in second half of 2012

### PBT

33%↑

PBT has increased over 2011-2014F

1. Indicates Asia Pacific Investment Bank performance, Index for cost, total headcount and PBT = 100 in Jan'11

2. Indicates PBT for Asia Pacific Investment Bank; Excludes Net imports to Asia-Pacific

3. Indicates non-performance cost for the Asia Pacific Investment Bank

4. Indicates total year end headcount including front office and back-office staff, excludes right-shoring staff supporting other regions / other Group Businesses

# Competitive advantage is the willingness to change our model

## Global strategic direction

- Generating higher and more sustainable returns
- Fewer but more strategic clients
- Simplified product set

## Asia Pacific specific approach

- Confederation of countries
- Generational change
- Integrated client coverage model

# Reshaped our Markets business

## Actions

1

### Macro

- Reduced Rates and Commodities
- Consolidated sales & trading vertical

2

### Equities and Credit

- Prepared for the future – an Equities execution model
- Reduced product silos

3

### Centralised Utility

- Single utility to control balance sheet
- Bespoke transactions off a single desk

## Impact

- Globally aligned
- Simplify infrastructure, reduce costs

- Integrated origination vertical
- Laser-focused on select clients

- Returns based model
- Retain ability to offer complex solutions

# Made bold changes in the Investment Banking Division

## Actions

1

### Country model

- Confederation of countries
- Resources dispersed out of hubs

2

### Streamline sector coverage

- Super sectors
- Sector expertise in country of relevance
- Regional industry coordinators

3

### Simplify management structure

- Reduced layers, increase span
- Deconstructed silos

## Impact

- Closer to clients
- Focus on returns

- Country, sector, product – alignment
- Globally connected

- Opportunity and career development
- Less latency



# Concluding messages

Returns focused business

Connected to home markets

Redesigning shape of the business

Reduced costs and headcount

Focus on fewer but more strategic clients

Integrated client coverage model

# Legal disclaimer

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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 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 or savings, original and revised commitments and targets in connection with the Transform Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers 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, US, 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 impact of EU and US sanctions on Russia; 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 2013, which are available on the SEC's website at <http://www.sec.gov>.

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