## 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

**Barclays Group**

- **Personal & Corporate Banking**
  - PBT £2,257m
  - RWAs £120.0bn
  - UK Retail
  - Corporate Banking
  - Wealth

- **Barclaycard**
  - PBT £1,126m
  - RWAs £38.6bn
  - UK cards
  - US cards
  - Europe cards
  - Business Solutions

- **Africa Banking**
  - PBT £756m
  - RWAs £37.9bn
  - Retail/cards and Insurance
  - Wealth
  - Corporate Banking
  - Investment banking

- **Investment Bank**
  - PBT £1,342m
  - RWAs £127.9bn
  - Banking
  - Macro
  - Credit
  - Equities

**Barclays Non-Core (BNC)**

- LBT £648m
- RWAs £81.0bn
  - Existing Exit Quadrant Assets
  - Additional Europe retail and corporate
  - Additional non-core elements of the IB
  - Other non-strategic businesses and assets

---

**Adjusted results – nine months ended September’14**

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Risk weighted assets (RWAs)</th>
<th>£332bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment</td>
<td>(£1.4bn)</td>
<td>Average allocated equity</td>
<td>£41bn</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(£11.7bn)</td>
<td>Return on average equity (RoE)</td>
<td>10.5%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>£5.6bn</td>
<td>Return on tangible equity (RoTE)</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

---

1. All figures for nine months ended September’14
2. Includes Head Office as part of ‘core’, representing £7.5bn RWAs and £106m PBT

---

Confidential
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

Barclays Group

Core Investment Bank

Global Equities
- Cash Equities
- Equity Derivatives
- Equity Prime

Global Credit
- Credit Products
- Securitised Products
- Municipals

Right-sized Macro
- Foreign Exchange
- Rates

Markets
- Fixed income secondary trading to be standard, cleared and collateralised, short term and executed on the electronic flow platform where relevant

Non-core Investment Bank

Markets
- Exit Quadrant Assets
- Most physical commodities
- Certain Emerging Markets products
- Capital intensive Macro transactions

Principal Businesses
- Investments
- Credit

Banking
- Front-to-back efficiency driven headcount reductions

- Build on leading positions in our home markets of the UK and the US, where we are already well positioned
- Exit those products with low returns under new regulatory rules
- Structurally lower the cost base through infrastructure efficiencies and refining the client proposition
- Improve capital efficiency of Markets businesses
Investment Bank: Challenging quarter, but repositioning underway

<table>
<thead>
<tr>
<th>Nine months ended – September (£m)</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Banking</td>
<td>1,846</td>
<td>1,890</td>
</tr>
<tr>
<td>– Markets</td>
<td>4,988</td>
<td>4,012</td>
</tr>
<tr>
<td>– Other</td>
<td>(20)</td>
<td>20</td>
</tr>
<tr>
<td>Income</td>
<td>6,814</td>
<td>5,922</td>
</tr>
<tr>
<td>Impairment release</td>
<td>28</td>
<td>21</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(4,686)</td>
<td>(4,601)</td>
</tr>
<tr>
<td>– Costs to achieve Transform</td>
<td>(120)</td>
<td>(352)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>2,156</td>
<td>1,342</td>
</tr>
</tbody>
</table>

**Financial performance measures**

<table>
<thead>
<tr>
<th></th>
<th>Jun-14</th>
<th>Sep-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRD IV RWAs</td>
<td>£123.9bn</td>
<td>£127.9bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q3 13</th>
<th>Q3 14</th>
<th>Sterling Reporter</th>
<th>USD Reporter²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>568</td>
<td>547</td>
<td>(4%)</td>
<td>2%</td>
</tr>
<tr>
<td>Markets income</td>
<td>1,289</td>
<td>1,120</td>
<td>(13%)</td>
<td>(8%)</td>
</tr>
<tr>
<td>(6)</td>
<td>(2)</td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,851</td>
<td>1,665</td>
<td>(10%)</td>
<td>(5%)</td>
</tr>
</tbody>
</table>

**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)

---

1. Average allocated equity for preceding nine months
2. USD change represents monthly spot rate conversion of GBP results

---

6 | Citi Global Financial Services Conference | 19 November 2014
Confidential
## Overview

- Barclays Group strategy update
- 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
- Asia Pacific acquirors: $220bn (27%)

#### Global IPO market
- Asia Pacific issuers: $90bn (52%)

#### International bonds market
- Asia Pacific issuers: $1.1tn (18%)

Source: Dealogic, As of Aug 28, 2014

1. 2008-2013 CAGR for IPO market

---

8 | Citi Global Financial Services Conference | 19 November 2014
Confidential
Asia Pacific is both a provider of liquidity and products.

**US Treasuries held by Asia Pacific investors** ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>2001</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>548</td>
<td>3,167</td>
</tr>
</tbody>
</table>

14% CAGR

~6X

% of Asia Pacific holding of total US Treasury securities outstanding:

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>9%</td>
</tr>
<tr>
<td>2014</td>
<td>18%</td>
</tr>
</tbody>
</table>

**Asian sovereign debt held by foreign investors** (% of total debt)

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>Indonesia</th>
<th>India</th>
<th>Malaysia</th>
<th>Philippines</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
<td>1.5</td>
<td>1.2</td>
<td>2.5</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>2.2</td>
<td></td>
<td>1.4</td>
<td>1.3</td>
<td>2.8</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>3.6</td>
<td></td>
<td>2.1</td>
<td>1.7</td>
<td>3.5</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>4.8</td>
<td></td>
<td>3.2</td>
<td>2.1</td>
<td>4.5</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>6.0</td>
<td></td>
<td>4.4</td>
<td>2.7</td>
<td>5.8</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>7.2</td>
<td></td>
<td>5.8</td>
<td>3.1</td>
<td>7.3</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>8.4</td>
<td></td>
<td>7.4</td>
<td>3.6</td>
<td>8.9</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>9.6</td>
<td></td>
<td>9.1</td>
<td>4.0</td>
<td>10.2</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>10.8</td>
<td></td>
<td>10.8</td>
<td>4.4</td>
<td>11.8</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>12.0</td>
<td></td>
<td>12.0</td>
<td>4.8</td>
<td>13.0</td>
</tr>
</tbody>
</table>

---

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
Overview

Barclays Group strategy update

Asia Pacific market context

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\(^1\) (H1 2014)

- **Asia Pacific**: 57%
- **Americas and UK**: 24%
- **Europe excl. UK**: 19%

<table>
<thead>
<tr>
<th>By country</th>
<th>Asia Pacific</th>
<th>Japan</th>
<th>Greater China</th>
<th>South-East Asia, South Korea, Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#1 Interest Rates (Asia Risk)</td>
<td>#1 International Bonds</td>
<td>#1 announced China outbound M&amp;A</td>
<td>#3 International Bonds in Australia</td>
</tr>
<tr>
<td></td>
<td>#1 Asia Pacific FX (Risk Institutional Investor Derivatives 2014 Ranking)</td>
<td>#4 Equity Research (Institutional Investor)</td>
<td>#3 US Equity offerings by Chinese Issuers</td>
<td>#4 announced South-East Asia M&amp;A</td>
</tr>
<tr>
<td></td>
<td>#5 Asia Pacific International bonds</td>
<td>#5 market share on TSE</td>
<td>#2 Most award-winning broker (Thomson Reuters Starmine - HK/China)</td>
<td>#4 announced South-East Asia M&amp;A</td>
</tr>
<tr>
<td></td>
<td>#9 announced Asia Pacific M&amp;A</td>
<td></td>
<td></td>
<td>Best Korea Debt House (The Asset)</td>
</tr>
</tbody>
</table>

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

Americas and UK
- Global revenue pools by region\(^1\) (H1 2014)
- #5 US Equities trading platform\(^1\)
- #5 US Rates trading platform\(^1\)
- #3 Fixed Income franchise globally\(^2\)

Europe excl. UK
- #2 All International Fixed Income by Product\(^2\)
- #1 All Investment Grade Debt globally\(^2\)
- #2 in Announced M&A (by target)\(^2\)

Asia Pacific
- #1 in UK Corporate High Yield Debt\(^2\)
- #1 Fixed Income franchise in the UK\(^2\)
- #1 in UK Investment Grade Loans\(^2\)
- Best Investment Bank in the UK\(^3\)
- Best Debt House in the UK\(^3\)

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

- Full-service IB build-out
- Equities / IBD hubbed in HK
- Wealth investment plan to achieve scale
- Up-tiered onshore presence – Australia, Greater China

Indices for cost, total headcount and PBT = 100 in Jan’11

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

Highlights

Costs
- Costs peaked in 2012 and have fallen significantly since then

Headcount
- Headcount reduction started in second half of 2012

PBT
- PBT has increased over 2011-2014F

Citi Global Financial Services Conference | 19 November 2014
Confidential
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

Important Notice

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or 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.

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 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.

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 (the 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.