Personal & Corporate Banking
Barclays
Ashok Vaswani
30 September 2014
### PCB – Scale, Diversity and Control

**Personal & Corporate Banking**
- 38% of ‘Core’ PBT

**Investment Bank**

**Barclaycard**

**Africa Banking**

**Barclays Core**

<table>
<thead>
<tr>
<th></th>
<th>Personal Banking</th>
<th>Mortgages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 14</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBT:</td>
<td>£1.5bn</td>
<td>Customers: 1.56m</td>
</tr>
<tr>
<td>PBT Growth:</td>
<td>23%</td>
<td>Income: £482m</td>
</tr>
<tr>
<td>RWAs:</td>
<td>£118bn</td>
<td>Assets: £125bn</td>
</tr>
<tr>
<td>RoE:</td>
<td>12.1%</td>
<td>Avg LTV: 55%</td>
</tr>
<tr>
<td>LLR:</td>
<td>21bps</td>
<td></td>
</tr>
<tr>
<td>LDR:</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

**Corporate Banking**
- c. 900k Clients
- Income: £1,768m
- Assets: £65bn
- Liabilities: £124bn

**Mortgages**
- Customers: 1.56m
- Income: £482m
- Assets: £125bn
- Avg LTV: 55%

**Wealth**
- Clients: 36k
- Income: £547m
- Liabilities: £33bn
- AUM: £84bn

- Single largest business unit
- Diversified
- Unique configuration
- International presence

All figures relate to H1 14
## Leverage Existing Capabilities

<table>
<thead>
<tr>
<th><strong>Business Instant Lending</strong></th>
<th><strong>Barclays Mobile Banking</strong></th>
<th><strong>PingIt</strong></th>
<th><strong>Homeowner App</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instant and automated lending processes</td>
<td>Award winning mobile app</td>
<td>P2P payment capability now moving to P2B</td>
<td>For all retail and wealth customers</td>
</tr>
<tr>
<td>- Pre-approved limits</td>
<td>- Enables account management easily and securely</td>
<td>- Launched in retail, now a core corporate capability</td>
<td>- Search (sale &amp; rent)</td>
</tr>
<tr>
<td>- 6 taps/clicks and money in the account</td>
<td>- Now in wealth</td>
<td></td>
<td>- View</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Affordability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Mortgages advice</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Intermediaries</td>
</tr>
<tr>
<td>Cost:Income Ratio 21%</td>
<td>3.3m users in 2 years</td>
<td>£405m payments YTD</td>
<td>110k downloads</td>
</tr>
</tbody>
</table>
## Customer Interaction

### Physical Branch
- High levels of automation for standard transactions on Automated Service Counters (ASCs):
  - Currently in 72 branches
  - Next phase includes 800 branches
- ASCs also configured to take care of small business and corporate needs:
  - Cashless deposits
  - QR code based payments

### Sky Branch
- Ability to do everything the customer wants to do in the physical branch
- Omni-channel capability including WebChat
- Linked to social media

### Digital Branch
- One face of the bank for clients and customers
- Complete functionality
- Significant customer take up:
  - 6m active online customers
  - 3.3m active mobile customers
  - ‘Barclays On-Line Banking’ and ‘Barclays.net’ for corporate clients
  - ‘Barclays One’ for wealth customers
Operational Efficiencies

**Single Product Core Systems**

<table>
<thead>
<tr>
<th>Current</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal</td>
<td></td>
</tr>
<tr>
<td>Transaction Products</td>
<td>9</td>
</tr>
<tr>
<td>Consumer Loans</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td>2</td>
</tr>
<tr>
<td>Wealth</td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td>4</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Transaction Banking</td>
<td>13</td>
</tr>
<tr>
<td>Trade &amp; Working Capital</td>
<td></td>
</tr>
<tr>
<td>Debt Finance</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>11</td>
</tr>
</tbody>
</table>

- Industrial strength and scalable
- Single product manufacturing capability
- Scalable across the whole of Barclays, e.g. Africa Banking

**Non-branch UK locations**

- 2012: 27
- 2013: 22
- 2014: 18
- 2016: 12

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Barclays Personal and Corporate Banking | 2014
Differentiated Approach to Digital

It is all about people

- 8,000 staff (40% of all branch) digitally trained
  - Digital driving licence accredited by City & Guilds
  - Coding trained

- Delivering for our customers:
  - Tea and Teach events
  - 584k have gone through our LifeSkills programme for school leaving young adults
  - Assistance with digital capabilities for small and medium sized corporates
  - Assistance in leveraging information (payments) for large corporates

- Award winning capability for customers with disabilities

Features Store

- Corporate Clients
  - Markets own product in Features Store

- Personal Customer
  - Access to greater range of products through Personal Features Store

- Small Business Customer
  - Access to greater range of products through Business Features Store
Financial Services Partner for the UK Ecosystem

Corporate
Best positioned bank in the defined time zone corridor (UK/ Europe / Africa)

All UK companies
UK company subsidiaries overseas
Foreign companies doing business with the UK

Personal
Best positioned bank for individuals economically vested in the UK

British nationals overseas
Individuals who wish to participate in the security and safety of the UK

UK economic and rates outlook provides tailwinds
## Growing Faster than the Sector

<table>
<thead>
<tr>
<th></th>
<th>2-yr Balance growth (%)</th>
<th>H1’14 Balance (£bn)</th>
<th>Sector Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail savings</td>
<td>23%</td>
<td>118</td>
<td>10</td>
</tr>
<tr>
<td>Unsecured (3)</td>
<td>(8%)</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td><strong>Mortgages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business cash</td>
<td>22%</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Corporate cash</td>
<td>13%</td>
<td>102</td>
<td>20</td>
</tr>
<tr>
<td>Business lending</td>
<td>(1%)</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate lending</td>
<td>(7%)</td>
<td>56</td>
<td>19</td>
</tr>
<tr>
<td><strong>Wealth</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUM (4)</td>
<td>n/a</td>
<td>21%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) Sector shares: Total deposit balances excluding NS&I CACI Jun-14; Current Accounts (stock of accounts) source: CACI Jun-14; Unsecured Lending (stock including overdrafts) source: BBA Jun-14; Mortgages (stock) source: BoE Jun-14; Corporate source: BoE and BBA Jun-14. Lending only relates to private non-financial corporates; Corporate balances relate to total Barclays, share % relates only to UK; (2) Sector growth relates to the two year period to H1 2014 with the exception of Corporate Cash which is up to Dec 2013. Corporate growth relates to UK only. Sources are the same as sector share (3) Includes overdrafts (4) Sector growth data unavailable for AUM.
Ongoing Delivery of Positive Jaws

- Income
- Costs (ex Bank Levy, CTA)
- PBT

48% PBT growth

Income

CIR 67%

Costs (ex. Bank levy, CTA)

CIR 57%

Positive Jaws

Q112 Q212 Q312 Q412 Q113 Q213 Q313 Q413 Q114 Q214

Income

Retail
- Pingit
- BMB

Corporate
- Pingit

Barclays.Net

Retail Instant Lending

Skybranch

Business Instant Lending

Wealth BMB

Note: The document appears to discuss financial metrics and product offerings for Barclays Personal and Corporate Banking, highlighting growth and cost reduction strategies.
Steady progress on impairment since Q112

- LLR declined 47% to 21bp in H114
- Impairment declined 42% to £95m in H114

Controlled Growth

Customer assets growth

£bn

11% asset growth

217

196

11

65

108

12

65

125

11

Q112

Q214

Personal Mortgages Corporate Wealth

Funding

Q112 Q214

LDR 84% 73%

Impairment

Steady progress on impairment since Q112

- LLR declined 47% to 21bp in H114
- Impairment declined 42% to £95m in H114
**PCB H1 14 Financial Results**

<table>
<thead>
<tr>
<th>Six months ended – June (£m)</th>
<th>2013</th>
<th>2014</th>
<th>∆%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>4,305</td>
<td>4,361</td>
<td>1%</td>
</tr>
<tr>
<td>Impairment</td>
<td>(299)</td>
<td>(230)</td>
<td>23%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(2,846)</td>
<td>(2,669)</td>
<td>6%</td>
</tr>
<tr>
<td>- Costs to achieve Transform</td>
<td>(92)</td>
<td>(115)</td>
<td>(25%)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,197</td>
<td>1,468</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Returns**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>∆%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average equity</td>
<td>10.3%</td>
<td>12.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Cost:income ratio</td>
<td>66%</td>
<td>61%</td>
<td>5%</td>
</tr>
<tr>
<td>Loan loss rate</td>
<td>28bps</td>
<td>21bps</td>
<td>7bps</td>
</tr>
</tbody>
</table>

**Balance Sheet**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>∆%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td>£211bn</td>
<td>£217bn</td>
<td>3%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>£290bn</td>
<td>£298bn</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Composition of income**

- Mortgages: 36%
- Wealth: 41%
- Corporate: 13%
- Personal: 11%

**Retail liabilities**

- Instant accounts: 24%
- ISA accounts: 14%
- Bonds: 8%
- Offset balances: 1%
- Current accounts: 17%

**Mortgage book**

- SVR: 48%
- Tracker: 17%
- BTL: 40%
- Other: 3%
- Offset: 2%

**PBT up 23% to £1.5bn**
Brand & Reputation

Leading the digital revolution
• Voice and Finger Vein Biometrics
• Customer / client interaction

Ensuring no one is left behind
• Digital Eagles / LifeSkills
• Inclusivity

Being a trusted British bank
• 325 year history
• Strength and security of UK
Today’s Story, Not Tomorrow’s Promise

UK Powerhouse

Great Opportunity

Market Leading Innovation

Building a Great Franchise
Legal Disclaimer

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