

# Barclaycard Overview

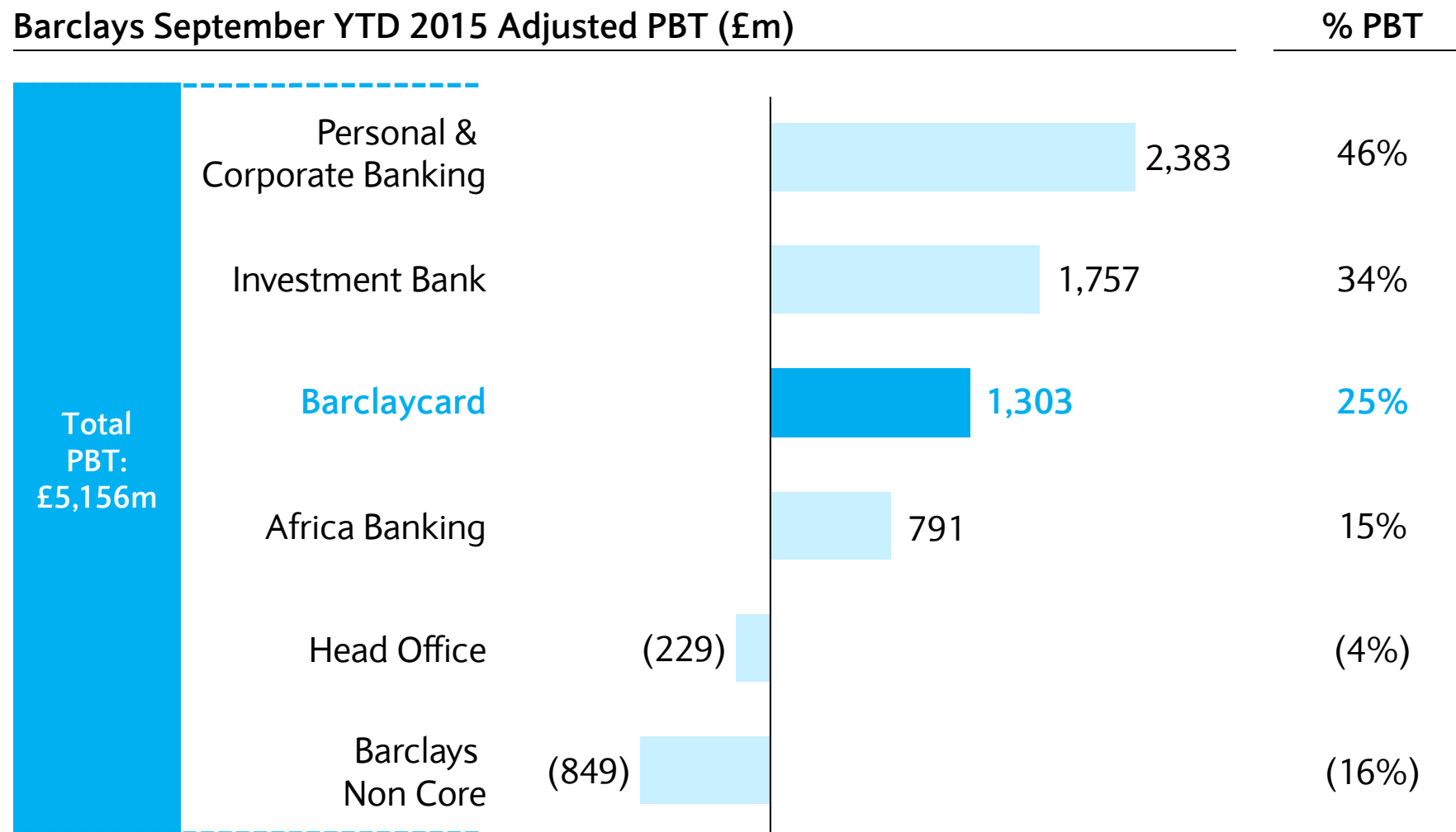
## Jefferies investor session

November 2015

Amer Sajed  
Interim CEO, Barclaycard



## Barclaycard is an important part of Barclays Group



# Barclaycard aspires to be the most recommended brand to help consumers buy and clients sell, every day



Traditional

- Magstripe
- Chip & Pin
- Internet

### Consumer cards

Barclaycard  
branded

Partner  
branded

### POS & Corporate

Point of Sale  
solutions

Corporate  
cards

### Acquiring

In-store

Online

Phone  
orders

New

- Contactless
- Token
- Cloud etc...

### Mobile, digital & other propositions

Mobile and wearable  
payment devices

Consumer loans

Deposits

Purchase  
financing

the logic group  
Gateway &  
Tokenization

### Barclaycard's Geographies

U.K.  
U.S.

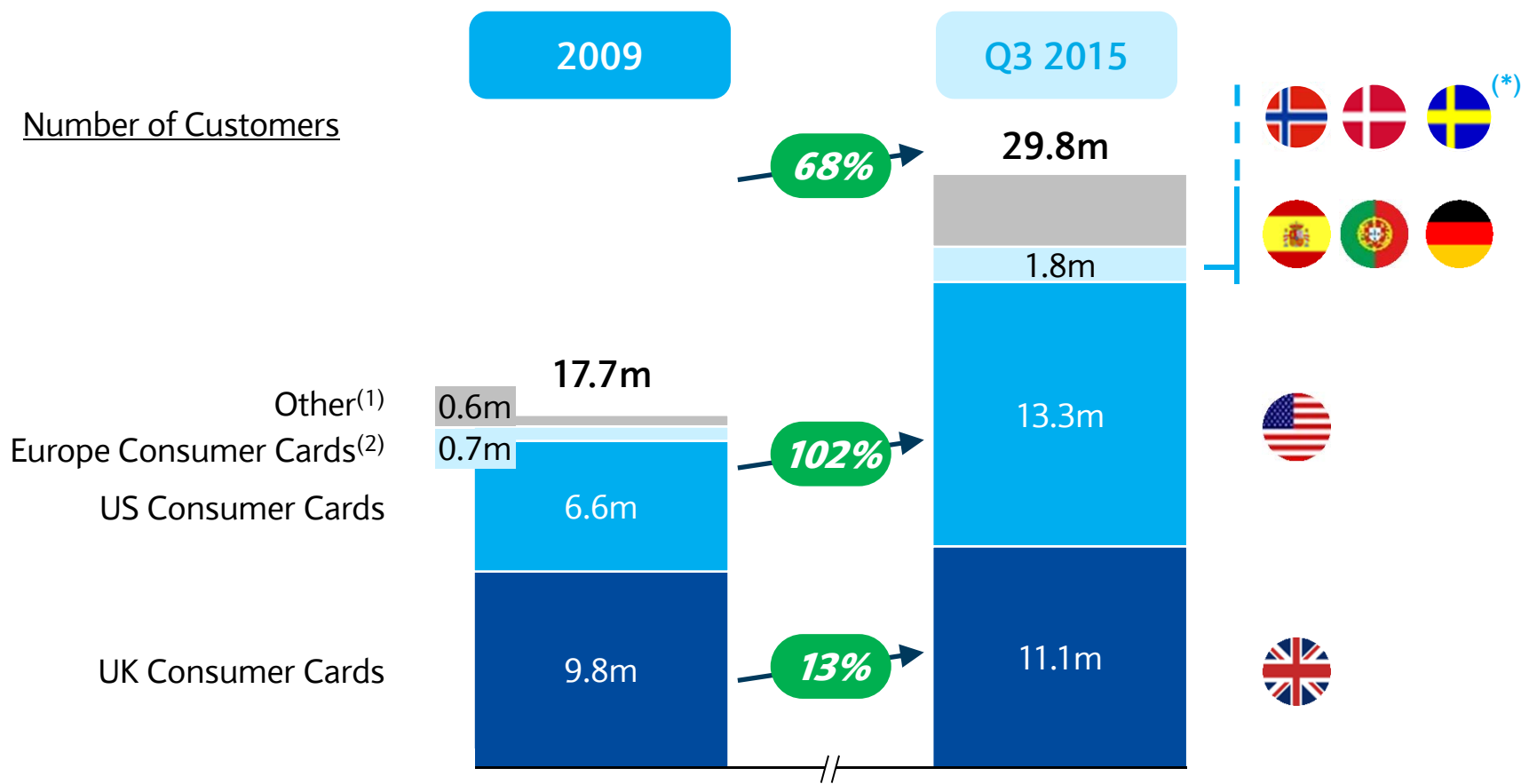
Germany  
Southern Europe

Nordics

Lending is the primary source of revenue for Barclaycard (c. 70%<sup>1</sup>)

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Notes: (1) Figure refers to net interest income

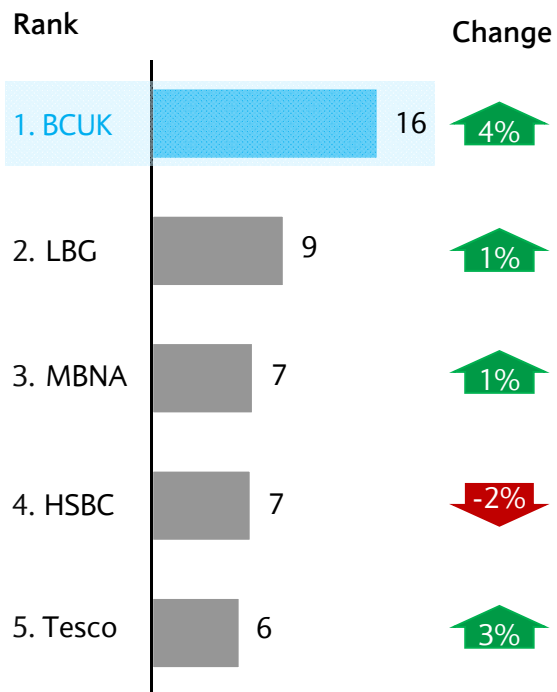
## Barclaycard focuses on two core geographies (the UK and the US), with additional presence across Europe



**+ 96k acquiring clients, up 10% since 2009**

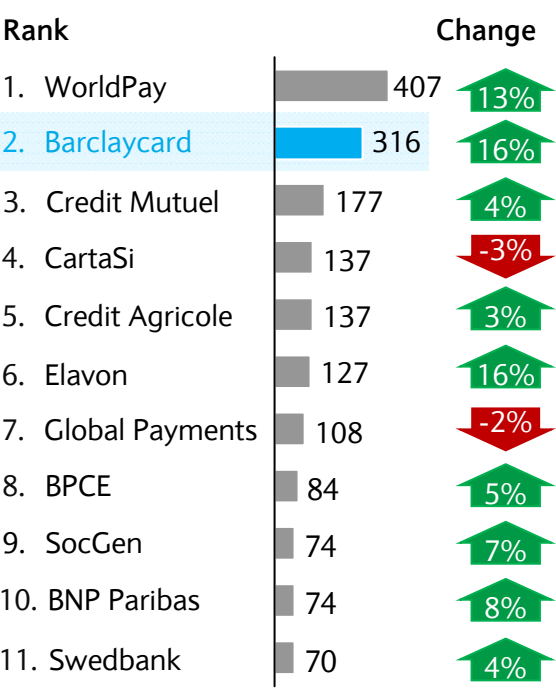
# Within these core geographies, Barclaycard ranks strongly

## Top UK Credit Card Issuers ranked by receivables in 2014 (£bn)



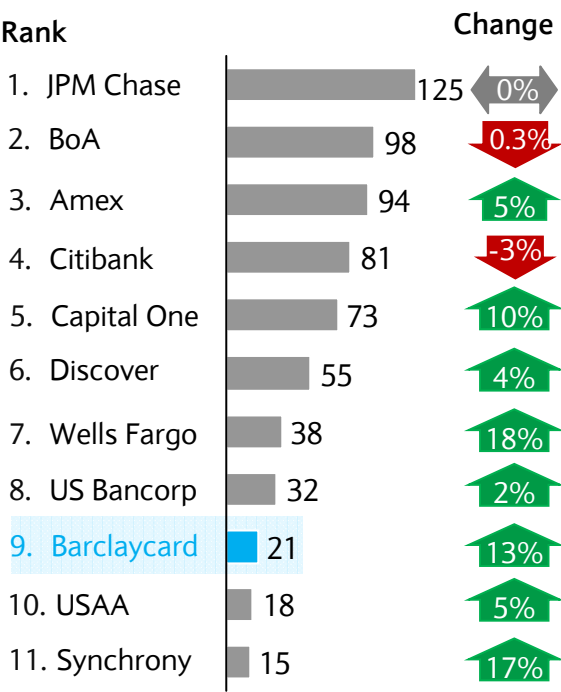
#1 in UK credit card issuing

## European Acquiring Volumes ranked by turnover in 2014 (\$bn)



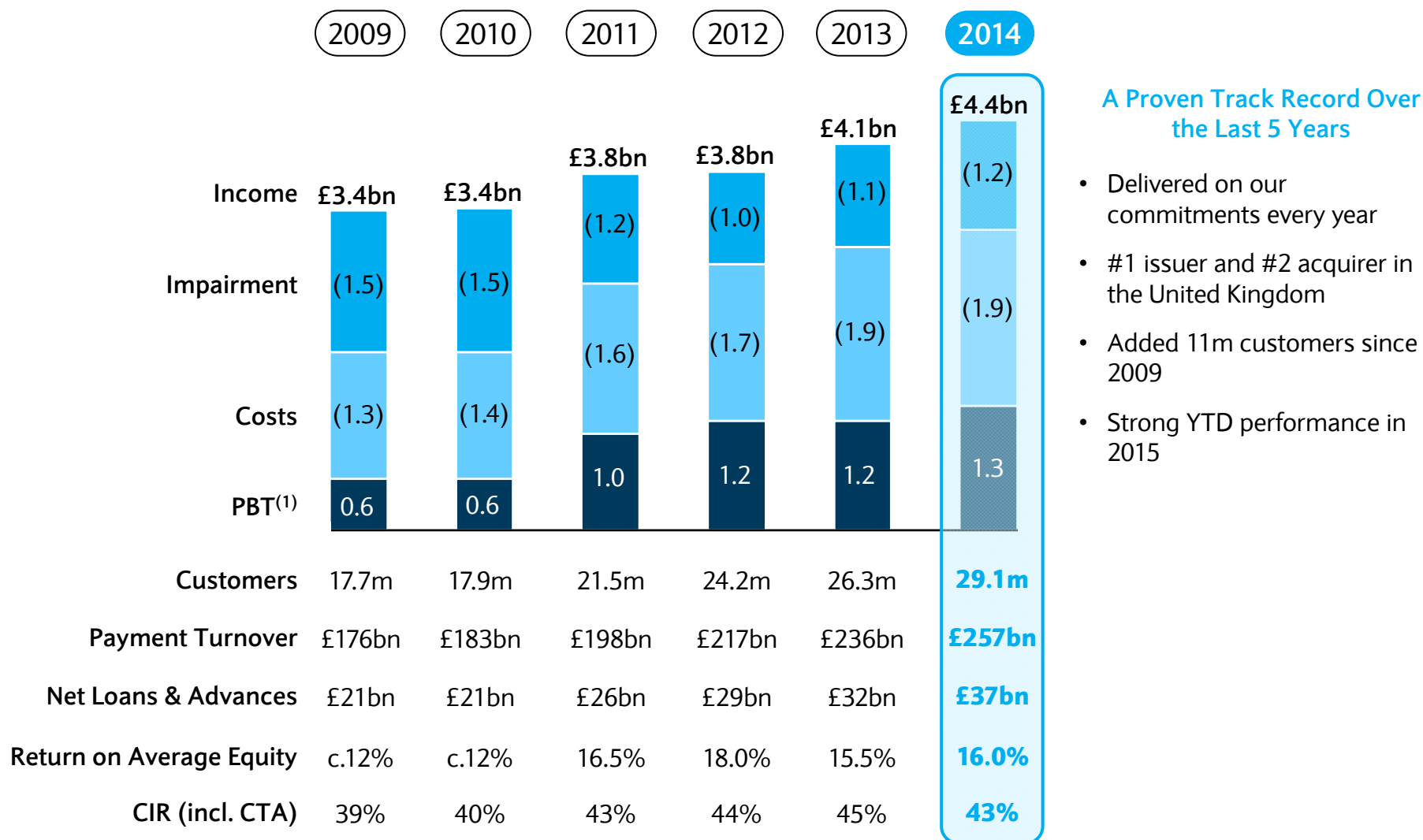
#2 in acquirer in Europe

## Top US General Purpose Credit Card Issuers ranked by receivables H12015 (\$bn)<sup>(1)</sup>



Top 10 credit card issuer in US

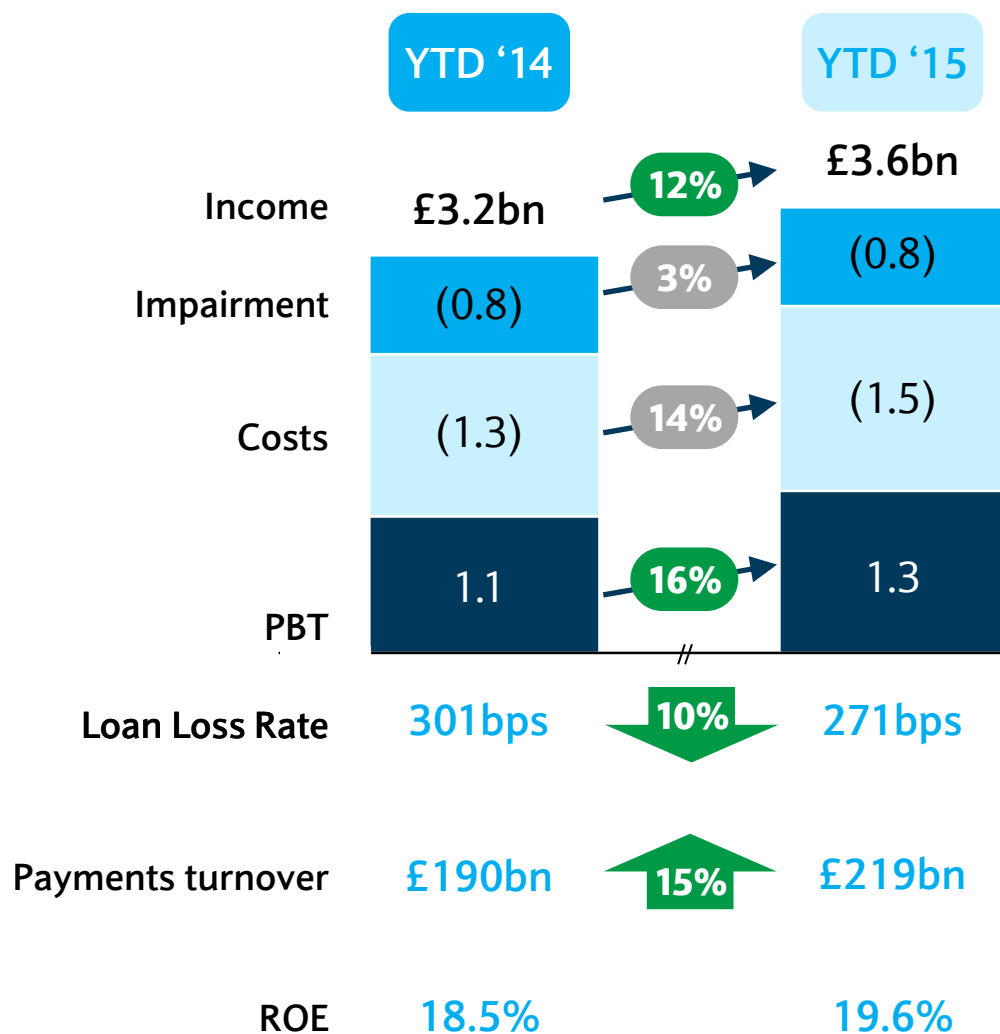
## We have achieved continued growth with consistently strong returns



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Notes: (1) PBT includes Cost to Achieve (CTA), but excludes Payment Protection Insurance (PPI) redress. 2009-2011 restated to exclude South Africa Cards and UK Secured Lending (UKSL)

## Q3 YTD financials show strong progress in 2015, with PBT up 16% vs Q3 YTD '14 and ROE at 19.6%



- Income increase driven by:
  - US cards and Business Solutions increased turnover and balances
  - Appreciation of average USD against GBP, partially offset by the impact of rate capping from European Interchange Fee Regulation
  - Net interest margin improvement of 14bps to 9.12% reflecting growth in interest earning lending
- Impairment charges increased 3% to £848 while the loan loss rate improved 30bps to 271bps from 301bps in prior year
- Costs increased as a result of continued investment in business growth and the impact of non-recurring items, including an asset write-off and certain marketing costs

## We have made significant strides towards embedding Conduct Risk into our business, and will deliver our financial plans in line with our Values

### We are making good progress in the evolution of our culture

- **Strengthened our governance** and decision making bodies to increase the consideration of Conduct Risks and Customer Outcomes
- **Enhanced the understanding of Conduct Risk** for our colleagues through training and communication activities (Compliance Monitoring noted 79% of colleagues surveyed understand and feel supported in managing Conduct Risk)
- **Strategies and strategic initiatives evaluated to assure the right customer outcomes** through the use of Conduct Risk Assessments (60 completed over last 12m) on our products and propositions

### We have key measures that demonstrate encouraging signs that conduct considerations are having positive impacts on customer and colleague outcomes...

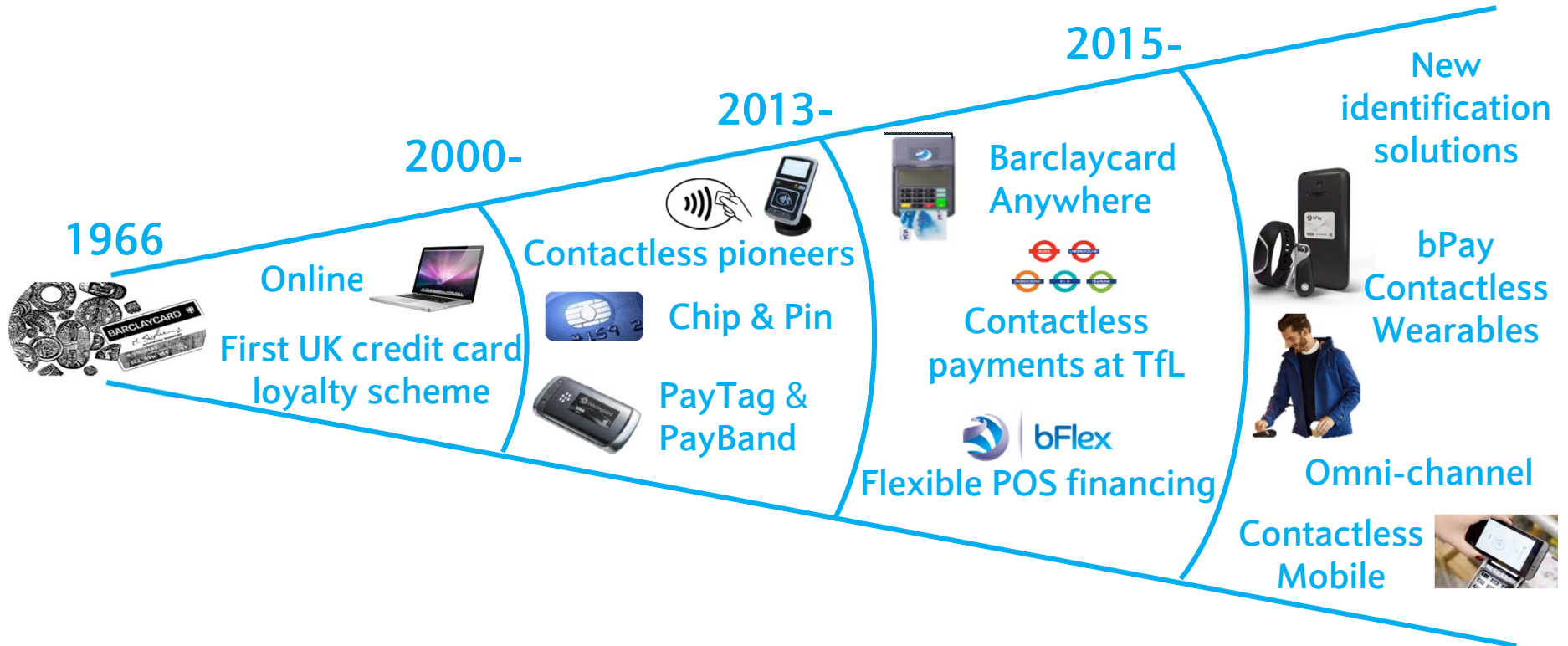
- **Clearly defined Risk Appetite Statements & 75 Key Indicators** to monitor and measure our Key Risks
- **Our measures indicate that we are moving in the right direction.** For example, a 16% reduction in complaints<sup>(1)</sup>, improvement in Relationship NPS from +4 (end 2013) to +6 (June 2015)

### Our strategy balances financial performance in the short-term with longer-term growth, as well as focusing on customer needs and driving customer advocacy

- We are investing now into new growth opportunities (e.g. consumer lending, international acquiring) whilst maintaining strong returns over the period
- Driving customer advocacy is a key strategic priority and we will be investing in improving the customer experience through simplified products and processes



# Barclaycard has a track record of innovation



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